

China

Vol I No 134 11 July 1984 PRC INTERNATIONAL AFFAIRS UNITED STATES RENMIN RIBAO Recalls Visit of Sidwell Students [30 Jun] B 1 Beijing Mayor Meets New York Trade Delegation B 2 [BEIJING RIBAO 4 Jul] RENMIN RIBAO Criticizes U.S. on Interest Rate Hike B 3 [6 Jul] Tian Jiyun Meets U.S. Cooperative League Group B 4 NORTHEAST ASIA Zhang Jingfu Meets Japan's Nakasone, Okonogi D 1 D 1 Speaks to Business Leaders D 2 Wang Zhen Meets Japanese Specialists in Hainan D 2 Embassy Banquet Marks Friendship With DPRK D 3 Korean Papers Note DPRK-PRC Treaty Anniversary SOUTHEAST ASIA & PACIFIC Zhou Nan Cited on Status of Macao Territory [AFP] E 1 Sino-British Hong Talks Begin in Beijing E 1 XINHUA Cites ASEAN Joint Statement on SRV E 1 E 3 XINHUA Interviews Kampuchean Resistance Chief SOUTH ASIA F 1 Sri Lanka Prime Minister Meets Zhang Tingfa F 1 Indian Officials Greet Outgoing Ambassador WESTERN EUROPE Officials Greet Spanish Congress Deputies G 1 Wang Renzhong Praises Ties G 1 G 1 Peng Zhen on Cooperation 10 Jul Banquet MIDDLE EAST & AFRICA Li Xiannian Meets Zairian Parliamentarians I 1 I 1 Officials Hold Talks With OAU Delegation I 1 Wen Yezhan Expresses Support I 2 Wu Xueqian Speaks at Banquet I 2 Ulanhu Welcomes Omani Delegation 10 Jul WESTERN HEMISPHERE Li Xiannian Fetes Peruvian Party Delegation 1 J 2 China Zhi Gong Dang Group Visits Canada

PRC	NATI	ONAL	AFFA	TRS
1 11	44241	UNITE	231 1 2	

PRC

NATIONAL AFFAIRS		
Zhao Ziyang Inspects Anshan Steel Company	K	1
Attends Celebration	K	1
Zhang Aiping Arrives in Beijing From Tokyo		2
Deng Liqun Speaks at Book Awards Ceremony		2
RENMIN RIBAO Editorial on 2d-Stage Tax Reform [8 Jul]		3
Commentator on Time Limit of Criminal Procedure [RENMIN RIBAO 8 Jul]	K	5
RENMIN RIBAO Discusses, Supports Contract System	K	6
1 Jul Article		6
4 Jul Article	K	8
RENMIN RIBAO on Lease System in Anhui Plant [3 Jul]	K	9
RENMIN RIBAO on Mobility of Capable Peasants [4 Jul]	K	10
Article on Situation	K	10
Commentator's Article	K	11
Administrative Science Meeting Ends in Tianjin	K	12
Evening Activities Urged To Combat Boredom	K	12
Higher Education Press Prints College Books	K	13
First PRC-Built Oil Rig Testing Complete		13
Yang Dezhi Praises Outstanding Veteran Cadre		14
Yang Shangkun Meets PLA Medical Professor		14
Wan Li, Li Ximing Greet Beijing Quiz Winner		14
Wan Li, Others Join Beijing Bridge Tournament		15
Minister Inspects Yakeshi Forest Area		16
Song Rengiong Attends Soiree for Olympic Team		16
Hao Jianxiu Meets Liaoning's Zhang Gongsheng		10
Deng Xiaoping Signs Citation for PLA Farm	K	17
REGIONAL AFFAIRS EAST REGION		
Fujian's Xiang Nan Checks Satellite Receiver	0	_
Hu Hong Addresses Fujian Rectification Meeting	0	1
[FUJIAN RIBAO 29 Jul]		2
Vice Mayor on Shanghai Computer Industry [RENMIN RIBAO 29 Jul]	0	2
CENTRAL-SOUTH REGION		
Lin Ruo Urges Rectification in Guangdong	P	1
Guangxi Formulates New Price Control Methods	P	1
Hubei's Wang Quanguo on Party Rectification Work	P	2
SOUTHWEST REGION		
Guizhou Procuratorate Meets on Economic Crime	Q	
Guizhou Radio Comments on Economic Crime	Q	1 2
Yunnan Issues National Economic Plan Circular Yunnan Forum on Cases Left Over From History	QQQ	3
NORTH REGION		
BEIJING RIBAO on 'People of Three Categories' [4 Jul]	R	1
Hebei Radio on Anti-Intellectual Leftism	R	2
Hebei Makes Progress in Recruiting Intellectuals	R	3
HEBEI RIBAO on Cadre Discipline, Efficiency [27 Jun]	R	4

I.	11 Jul 84	3	CHINA	
	NORTHWEST REGION	*		
	Gansu Cooperation	Meeting on Enterprise Reform With Foreign Firms Lauded Peasant Mining of Minerals	T 1 T 1 T 2	
TAIN	JAN .			
	Deng's Comments on Reun Commentary Disapproves Taipei Views Mainland's	U.S. Arms to PRC	V 1 V 2 V 3	
HONO	KONG MEDIA ON CHINA			
	Paper Notes Anxiety Ove	To Visit Hong Kong MORNING POST 11 Jul]	W 1 W 1	

RENMIN RIBAO RECALLS VISIT OF SIDWELL STUDENTS

HK100618 Beijing RENMIN RIBAO in Chinese 30 Jun 84 p 6

[Article by RENMIN RIBAO reporters Zhang Dezhen and Liang Ping: "The Blooming of One Flower Leads to the Blooming of 10,000 Others -- On the Visit to Beijing by Students and Teachers of the Chinese Class of the U.S. Silwell Friendship School"

[Text] "Ever since the moment Premier Zhao invited us to visit China, we have been longing to come to China. Now this wish has come true!" excitedly said the teachers and students of the Chinese class at Sidwell Friends School in Washington D.C. upon arriving in China from the other shore of the Pacific.

It has been 3 days since the teachers and students of Sidwell Friends School arrived in Beijing. To them, these days have been most thrilling and the most unforgettable in their lives. What has touched them most is that on the second day of their arrival in Beijing, Premier Zhao gave them a most cordial and friendly reception. Without exception, in their own words, they "cannot think of any better reception than this." With great interest, they have visited the world famous Great Wall and the magnificent Imperial Palace, and the ancient, simple, graceful, and quiet Beijing gardens. The long-standing Chinese history, and the brilliant ancient culture have left a deep impression on the young people who have longed to understand China. They are also making wide contacts with Chinese people, making friends with many young people of China.

On the morning of 28 June, the sky was cloudless, and the sun burning. The teachers and students of the No 2 Middle School attached to the Beijing Teachers' University gathered around the center of the campus despite the scorching heat, quietly waiting for the coming of an important moment. On this particular day, a treeplanting ceremony was to be held symbolizing the establishment of friendly relations between the Sidwell Friends School and the No 2 Middle School attached to the Beijing Teachers' University. Look, the American friends were coming! Cheers of joy burst out and there was a warm applause. Chen Xitong, mayor of Beijing, Liu Gengyin, vice president of the Chinese People's Association for Friendship With Foreign Countries, and leading members of the relevant departments attended the tree-planting ceremony. Together with Mr Harrison, the principal of Sidwell Friend School, they planted two pine trees. The teachers and students of these two schools were vying with each other in watering and covering the roots of the two pine trees symbolizing the friendship between China and the United States. In their enthusiastic speeches, both Mayor Chen and Principal Harrison expressed their wish that the friendship between the Chinese and the U.S. peoples might grow sturdily like the pine trees.

During their stay at the No 2 Middle School, the students of the Chinese class of Sidwell Friends spent a "middle school students' day" together with their Chinese counterparts. They had English and Chinese lessons together in the classroom. In the dining hall, they stood together in lines to get their lunch. During the recess these innocent, lively, and vigorous children were all the more active. Some of them were playing American football and frisbee together, some were playing table-tennis, and others were playing chess, studying the art of the game together. In the woods on campus, there was constant laughter. The young people of the two countries were carrying on cordial conversations in groups.

Gu Hongmei, a first year student of the senior middle school and (Cai Zhenfei), younger sister of John Zeidman, were so dear to each other just like two sisters, even though it was less than 24 hours since they met. They taught each other to speak English and Chinese, and sent each other gifts, and took a photograph together as a souvenir.

Liu Huizhao, a second year student of the senior middle school and (Bai Daiyu) and (Gan Shuzhen) of Sidwell Friends have become great friends, too. These two U.S. students could not carry on a conversation in Chinese, so they wrote these words on Liu Huizhao's notebook: "I like your school very much, and you, too," "This is the most unforgettable day of my life." They were in such a harmonious mood that they seemed to be students of the same school. In the get-together held in the afternoon, the students of the two countries gave a performance of wonderful entertainment, and they sang the famous "Auld Lang Syne" together on stage. This song that came from the bottom of the hearts of the young people of the two countries echoed in the auditorium.

Under such circumstances, we could not help thinking of John Zeidman all the more, who had sowed the seeds of friendship between the Chinese and U.S. young people. The teachers and students of Sidwell Friends School took a special tour of the Beijing Teachers' University, from which John Zeidman was a graduate of the class of 1979. They visited John's bedroom. Here, his bed and Chinese books are still kept. On the shelf is a photograph of John smiling at people. As the teachers of the Beijing Teachers' University remmeber him, John was an enthusiastic, frank, and courageous young American. He worked hard at his studies, and had a deep feeling for the Chinese people. Unfortunately, he died of illness some time ago. As Mr Harrison, principal of Sidwell Friends put it: "John was like a flower which withered away most unfortunately when it was just blooming. However, we must not forget that in the United States today there are more flowers like John which are growing!"

It is true that the blooming of one flower leads to the blooming of 10,000 others. Today, we are most happy to see that through the efforts of John's father, John's alma mater has a Chinese class, which is undoubtedly a first in the high schools of the United States. We are told by our American friends that some high schools in the United States are ready to start Chinese classes following the example of Sidwell Friends. During our current coverage, we are most happy to learn that among the 20 students of the Sidwell Friends School visiting China, some have already been accepted by the departments of Chinese literature of such famous universities as Harvard, Yale, and Princeton, while others are ready to minor in Chinese literature or history when they are in college; they have expressed their wish to devote their whole lives to promoting the friendly cause of the Chinese and American peoples.

Youth represents the future and hope. The strong aspiration of the young people of China and the United States to better understand each other and to enhance the friendship between them has illustrated that the seeds of friendship between the Chinese and American peoples have taken deep root between the young people of the two countries. As long as we nurture the sapling of friendship with scrupulous care, the friendship between the Chinese and American peoples will certainly last forever and pass on from generation to generation.

BEIJING MAYOR MEETS NEW YORK TRADE DELEGATION

HK100800 Beijing BEIJING RIBAO in Chinese 4 Jul 84 p 1

[Report by Ren Huanying: "Beijing Mayor Chen Xitong Meets New York Trade Delegation"]

[Text] Beijing Mayor Chen Xitong met New York Deputy Mayor Kenneth Lipper and the New York City trade delegation led by him yesterday morning.

Chen Xitong expressed his pleasure at meeting the American friends again in Beijing. He said that when he led a Beijing municipal delegation on a visit to New York last year, he was accorded a warm welcome everywhere he went and was impressed by the good will of the various circles urging the promotion of friendly relations with Beijing.

He also said that the current visit of the New York City trade delegation to Beijing would certainly further increase friendly exchanges between the two cities. Lipper gave Mayor Chen Xitong a letter written by New York Mayor Koch. He said that the people of New York City had a special feeling for the people of Beijing and that one of the purposes of the current visit by quite a number of people from the economic and trade circles was to negotiate economic cooperation between the cities and the two countries. He regarded the visit as the beginning of a long-term, growing cooperation.

The Beijing Municipal People's Government gave a dinner to warmly welcome the New York City trade delegation yesterday evening. Present at the dinner were Beijing Municipality leaders Chen Xitong, Jiao Ruoyu, Han Boping, Lu Yu, and others. In a toast, Beputy Mayor Han Boping pointed out that there was a solid foundation for developing friendship and cooperation between Beijing and New York and that economic cooperation between the two cities would attain great development. In his speech, the head of the delegation, Lipper, on behalf of the people of New York, expressed the desire to develop friendly relations with the people of Beijing.

The New York City trade delegation arrived in Beijing on 2 July at the invitation of the Beijing Municipal People's Government. Yesterday, the delegation held friendly talks with Beijing's departments concerned on economic and technical exchanges. Mrs Eveline Lipper and others visited the Beihai kindergarten and an embroidery factory yesterday.

RENMIN RIBAO CRITICIZES U.S. ON INTEREST RATE HIKE

HK101516 Beijing RENMIN RIBAO in Chinese 6 Jul 84 p 7

["Jottings" by Tan Feng: "It Is Also Necessary To Let Others Continue To Live"]

[Text] In today's world, there are life-or-death situations everywhere. This is the kind of major life-or-death issue between Latin American debtor countries and the United States, the biggest lender country in the world.

On the one hand, 11 Latin American countries that have been crushed under heavy debt are holding a meeting at Cartagena to find a way out. On the other hand, U.S. banks have announced another increase of 0.5 percent in interest rate, which means that the debts owed by developing countries have thus invisibly been increased by \$2 billion. We can say that this practice of the United States is a practice that is aimed at pursuing its own interests without considering the life and death of other people.

U.S. decisionmakers always brag of "humanism," and are quite fond of citing the saying "live and let live" in order to show their peaceful and just attitude. However, the arbitrary actions that Washington has recently carried out on the debt issue have run diametrically opposite of this saying.

The U.S. financial deficit reached a high of \$364 billion. In order to control inflation, the U.S. Government has persisted in pushing up bank interest rates and the exchange rate for the U.S. dollar until they have risen out of control. This "policy of three highs" has made other countries suffer greatly, and the developing countries have suffered even more because they have born the brunt of it. The people of the developing countries, one after another, have complained, saying: We are paying for U.S. financial deficits and U.S. policies have caused all our great sacrifices and efforts in making readjustments to go to waste." There is nothing in the United States' practice of benefiting itself at the expense of others that shows that it wants to "live and let live."

As a matter of fact, from a long-term point of view, this practice of the United States in harming others does not benefit itself. The "three highs" have for a time brought some benefits to the United States, but they have also given rise to extremely great latent evils. The excessively high interest rates have made it impossible for the United States to maintain a balance of international payments, reduced its credit at home, and hindered investments and economic growth. At present, the economic growth rate of the United States has dropped to 2.3 percent and the number of people employed has decreased by 1.1 million. The high exchange rate will inevitably weaken the United States' export capacity and increase its foreign trade deficits. The high deficits have put the United States heavily in debt. At present, its national debt already exceeds \$100 million. If the financial deficit continues to be maintained at the present level, next year the United States will become the greatest debtor country in the world.

Moreover, if the United States persists in shifting its difficulties onto developing countries and using high interest races as a means to intensify its exploitation of these countries, the debtor countries will be driven beyond the limits of their forbearance and will declare the suspension of debt repayments. Then there will be a serious financial crisis in the United States, the banks there will lack funds, the prices of stocks will tumble and some of the big lenders will even be on the verge of bankruptcy. If Brazil alone suspends repayment of its debts, the United States would suffer a decrease of \$25 billion in its GNP and a reduction of 400,000 job opportunities. From the above, we can see that the current world economy is an integrated entity and the South and North closely rely on each other for their survival. Some developed countries have disregarded the life-and-death situation of the developing countries and this will make it difficult for the developed countries themselves to stay afloat. It seems that the popular Western saying should be changed as follows: "If one wants to continue to live, he has to let others continue to live." This would be of greater realistic significance.

TIAN JIYUN MEETS U.S. COOPERATIVE LEAGUE GROUP

OW091525 Beijing XINHUA in English 1450 GMT 9 Jul 84

[Text] Beijing, July 9 (XINHUA) -- Sino-American economic and technical cooperation and bilateral trade show great potential, Chinese Vice-Premier Tian Jiyun told a U.S. delegation here today.

Tian made his remarks at a meeting with representatives of the U.S. Cooperative League led by its President Morgan Williams.

China's grain and fruit production were developing fast, he added, and he hoped that China and the U.S. would explore ways of cooperating in the processing of farm products, fruits and fodder.

American cooperatives were willing to hold detailed discussions with their Chinese counterparts on concrete projects, Williams said.

The U.S. delegation also met Pan Yao, acting president of the board of the All-China Federation of Supply and Marketing Co-operatives, yesterday.

They will leave Beijing tomorrow for a tour of Xian, Shanghai and Hangzhou.

ZHANG JINGFU MEETS JAPAN'S NAKASONE, OKONOGI

OW101244 Beijing XINHUA in English 1227 GMT 10 Jul 84

[Text] Tokyo, July 10 (XINHUA) -- Japanese Prime Minister Yasuhiro Nakasone said today he will make efforts to expand the results achieved in his talks with Chinese leaders in last spring.

In a meeting with Chinese State Councillor and Minister in Charge of the State Economic Commission Zhang Jingfu here, Nakasone said he is pleased that China's economic growth in agriculture and industry is higher than expected. Japan welcomes China's policy of opening to the outside world and considers it a good development in China to open 14 more special economic zones, he said.

Zhang Jingfu said in the meeting that Sino-Japanes relations have reached a new stage after the visit to Japan by Chinese Communist Party leader Hu Yaobang in last November and the visit to China by Nakasone himself in March.

He said that the two countries, apart from keeping a stable rise in trade, should expand cooperation areas and make cooperation more effective by the transfer of technology and technological cooperation in accordance with China's reality, which will take one step, forward from the present basis in their relations.

Zhang said the two countries can develop their own good points and supply what the other needs in their efforts to explore new ways to economic cooperation and raise their cooperation to a new level. It is in the interests of the two peoples, he said.

Zhang had talks with Japanese International Trade and Industry Minister Hikosaburo Okonogi on Sino-Japanese economic cooperation after the meeting with Nakasone.

Zhang told Okonogi that the development of Sino-Japanese trade should link closely with cooperation in technology and capital between the two countries.

Okonogi said different economic structures in Japan and China make their relations a complement to each other.

Speaks to Business Leaders

OW101907 Beijing XINHUA in English 1849 GMT 10 Jul 84

[Text] Tokyo, July 10 (XINHUA) -- Chinese State Councillor and Minister in Charge of the State Economic Commission Zhang Jingfu this afternoon conferred with Japanese business leaders on matters of further expansion of economic and technological cooperation between China and Japan.

Chairman of the Japan-China Association on Economy and Trade Toshio Doko told Zhang that the Japan-China economic cooperation not only accords with the interests of both countries, but also plays a role in maintaining peace and stability of Asia. He said his association is willing to do everything possible to cooperate with China. Zhang expressed his thanks for all the efforts the association has made in the promotion of the economic cooperation between the two countries.

President of the Japan Chamber of Commerce and Industry Noboru Coshima told Zhang that Japanese medium and small businesses show great interest in the running of joint ventures with China and these enterprises want to have more exchanges of ideas with China in this regard. Zhang expressed his appreciation of Goshima's opinion and put forward a suggestion of forming a permanent organization to engage in cooperation in economic and technological fields between the medium and small businesses of the two countries.

Minister of International Trade and Industry Hikosaburo Okcnogi gave a dinner this evening in honor of the Chinese guest. Chinese Ambassador to Japan Song Zhiguang attended the dinner.

WANG ZHEN MEETS JAPANESE SPECIALISTS IN HAINAN

HK110651 Haikou Hainan Island Service in Mandarin 0330 GMT 10 Jul 84

[Excerpts] According to a report carried in HAINAN RIBAO, on the evening of 5 July, Wang Zhen, member of the Political Bureau of the CPC Central Committee and honorary president of the China-Japan Friendship Association, [words indistinct] held a cordial and friendly talk with the eight Japanese specialists working or conducting inspection in Hainan. Lei Yu, responsible person of Hainan Administrative Region, accompanied Comrade Wang Zhen in receiving the Japanese guests.

Comrade Wang Zhen inquired in detail about the conditions of their work and inspection in Hainan, and expressed his appreciation of the friendly cooperation of their relevant companies. Comrade Wang Zhen said: The two governments and peoples of China and Japan should carry on their friendly relations from generation to generation. Today, your coming to Hainan to work reflects the friendly feelings between the two people of the two countries. I wish to express my appreciation to you, and hope that you will exert more efforts in doing the work in the future. Comrade Wang Zhen said: The fundamental point of our foreign policy is the implementation of the open-door policy. After the 10 years of turmoil of the Cultural Revolution, our economy [words indistinct]. Now, our country is united. All the democratic parties, the people of all strata, and all our nationalities are united. This situation can be stable for a long time, please believe this.

EMBASSY BANQUET MARKS FRIENDSHIP WITH DPRK

OW101949 Beijing XINHUA in English 1855 GMT 10 Jul 84

[Text] Pyongyang, July 10 (XINHUA) -- Chinese Ambassador to the Democratic People's Republic of Korea (DPRK) Zong Kewen gave a banquet today in the Chinese Embassy to mark the 23rd anniversary of the treaty of friendship, cooperation and mutual assistance between ~ ina and DPRK.

Present were high-ranking officials of Korea including Vice-President Pak Song-chol and Vice-Premier and Foreign Minister Kim Yong-nam.

The Chinese ambassador recalled in his speech that the past 23 years since the signing of the treaty on July 11, 1961, have seen an increase of friendship and unity and an all-round development of friendly cooperation between China and DPRK. He said China-Korea relations gained a rapid development especially in recent years, which reflected the common desire of the peoples of the two countries.

Zong also recalled the visits to Korea by Chinese leaders Deng Xiaoping and Hu Yaobang and the visits to China by Korean leaders Kim Il-song and Kim Chong-il in recent years. All these visits, he said, have indicated the desire and will of the peoples of China and Korea to carry their friendship on from generation to generation.

Zong reaffirmed China's support for Korea's proposal for establishing a Democratic Confederal Republic of Koryo and for tripartite talks to this end.

Korean Foreign Minister Kim Yong-nam said at the banquet that the friendship treaty, which confirms the friendly and cooperative relations between the peoples of the two countries in a legal form, reflects the determination and will of the peoples of the two countries to march together as comrades—in—arms and brothers toward the victory of socialism and communism.

He said that to consolidate and develop the Korea-China friendship with a long historical tradition "is a consistent policy of our party and government, and a firm and unchangeable will of the people of our country." The Korean people will continue to be loyal to the treaty of friendship, cooperation and mutual assistance, he added.

KOREAN PAPERS NOTE DPRK-PRC TREATY ANNIVERSARY

OW111010 Beijing XINHUA in English 0904 GMT 11 Jul 84

[Text] Pyongyang, July 11 (XINHUA) -- The leading Korean newspaper NODONG SINMUN today issued an article to mark the 23rd anniversary of the treaty of friendship, cooperation and mutual assistance between China and Korea.

Friendly cooperation between the two countries and peoples has increased in the past 23 years since the signing of the treaty, the article said.

The treaty has accelerated the socialist construction in the two countries while steadily strengthening unity and solidarity and cooperation in the political, economic, cultural, military and other fields.

The exchange of visits by leaders of the two countries has brought Sino-Korean friendship to a new stage, the article said, adding that the friendship between the peoples of China and Korea will continue to grow for many generations to come.

MINJU CHOSON, PYONGYANG SINMUN and other newspapers also published articles to mark the occasion.

ZHOU NAN CITED ON STATUS OF MACAO TERRITORY

BK101045 Hong Kong AFP in English 0941 GMT 10 Jul 84

[Excerpt] Macao, July 10 (AFP) -- A senior Chinese official has said that Beijing is ready to solve the Macao issue through negotiations but that the territory's existing status should be maintained for the time being.

In an interview given to Macao Radio in Beijing, Zhou Nan, head of the Chinese delegation at the Sino-British talks over Hong Kong's future, said: "China is ready to solve the Macao issue satisfactorily through negotiations when conditions are ripe." Mr Zhou. who is also Chinese assistant foreign minister, made no mention of any date for discussions, the government-run radio said. He added that "until a definite solution is found for Macao's future, China thinks that the present status quo of the territory should be maintained."

Macao, covering a peninsula and two islands in China's southern Guangdong Province, was settled by the Portuguese in 1557 to provide a base for trade and is now the home of more than 250,000 people, most of them Chinese. Under a Siro-Portuguese agreement made about 10 years ago, Macao is described as a Chinese territory under Portuguese administration.

Observers here said that Mr Zhou's statement, although reflecting known Chinese policy, was the first time in recent years that a Chinese official had mentioned that Beijing was ready to engage in negotiations over the territory's future.

Observers noted that Mr Zhou's statement came as the Sino-British talks on Hong Kong are at what diplomatic sources have described as a crucial phase. Beijing is [to] resume sovereignty over Hong Kong in 1997 when Britain's lease on most of the territory expires. The 18th round is scheduled to start in Beijing tomorrow.

Mr Zhou made his remarks about Macao in an hour-long interview focusing on Sino-Portuguese relations. He said that China and Portugal had reached a satisfactory agreement on Macao when the two countries established diplomatic ties in 1979. "I believe that a satisfactory solution will be found in the future, taking into account the interests of China and Portugal and their people," he said, adding that "the Macao situation does not present a problem to Sino-Portuguese relations." "If China can solve the Hong Kong problem, which is more complicated than that of Macao, their search for a future solution for Macao will also be easy."

SINO-BRITISH HONG KONG TALKS BEGIN IN BEIJING

OW110246 Beijing XINHUA in English 0242 GMT 11 Jul 84

[Text] Beijing, July 11 (XINHUA) -- The 18th round of the second phase of the Sino-British talks on the Hong Kong issue began at the Diaoyutai State Guesthouse here this morning. The new round of the talks is scheduled to continue through tomorrow.

XINHUA CITES ASEAN JOINT STATEMENT ON SRV

OW101051 Beijing XINHUA in English 1030 CMT 10 Jul 84

[Text] Beijing, July 18 (XINHUA) -- Foreign ministers of the Association of Southeast Asian Nations (ASEAN) yesterday called for the early withdrawal of all Vietnamese troops from Kampuchea under international supervision, according to reports received here today.

The call was contained in a joint statement issued at the 17th ASEAN foreign ministers' meeting which opened in Jakarta yesterday.

The statement said that for over five years, the ASEAN states and the international community have called upon Vietnam to cease its military occupation of Kampuchea and to join in political settlement of the Kampuchean problem. Vietnam remains obdurate.

It said that the ASEAN foreign ministers stress that such a comprehensive political settlement should speedily be found. The primary objective of such a settlement is the exercise of the inalienable right of self-determination by the Kampuchean people and the restoration of the independence, sovereignty and territorial integrity of Kampuchea.

National reconciliation among all the Kampuchean factions, as advocated by president of the Coalition Government of Democratic Kampuchea (CGDK) Prince Norodom Sihanouk, is essential for the restoration and maintenance of the independence and national unity of Kampuchea in any enduring political settlement. Such national reconciliation is an essential element for the realisation of long-term peace, security, stability and development in kampuchea, which will contribute to the security of its neighbours including Vietnam, it said.

Together with the expanding resistance forces of the CCDK under the presidency of Prince Norodom Sihanouk, the Kampuchean people have opposed with increasing effectiveness the military efforts by Vietnam to dominate their country. Vietnam's attempts to impose a military solution will only serve to increase tension and undermine peace and stability in the region, the statement said.

The foreign ministers welcome the statement issued on July 6 by the CGDK. They were particularly gratified by this evidence of further enhancement of the unity and solidarity among the Khmer nationalists. They fully support the determination of the CGDK to seek a political solution to the Kampuchean situation.

It said that the foreign ministers reaffirm that the appeal for Kampuchean independence of September 21, 1983 by ASEAN contains the most appropriate and practical steps toward a comprehensive political settlement. They call on Vietnam to support national reconciliation. The foreign ministers reaffirm their readiness to discuss a comprehensive political settlement of the Kampuchean problem with Vietnam.

In his opening speech at the ASEAN foreign ministers' meeting, Indonesian President Suharto said that ASEAN envisages, among other things, the withdrawal of Vietnamese forces from Kampuchea as a preliminary step towards the restoration of Kampuchea's independence as a sovereign, free, neutral and non-aligned state.

ASEAN, he said, is determined not to allow itself to become the arena of conflict between the superpowers. ASEAN is also determined to make this region a zone of peace, freedom and neutrality, he stressed.

XINHUA INTERVIEWS KAMPUCHEAN RESISTANCE CHIEF

OW101241 Beijing XINHUA in English 1223 GMT 10 Jul 84

["Sihanouk-Led Kampuchean Resistance Forces Grow Stronger" by Yang Mu and Cai Ximei -- XINHUA headline]

[Text] Oddor Meanchey, Kampuchea, July 10 (XINHUA) -- A senior official of Sihanouk-led Kampuchean resistance forces said his army not only safeguarded its strongholds along the Kampuchean-Thai border but also was active in Kampuchea's hinterland in the 1983-84 dry-season offensive.

In an exclusive interview with XINHUA July 6 at the green hill, the headquarters of the National Sihanoukian Army (ANS), ANS Chief of Staff Teap Ben said the Vietnamese are unable to launch successive major offensives along the Kampuchean-Thai border and this situation is favorable to the further growth of resistance forces.

The ANS now has a strength of 9,000 men and can launch military operations both at the border areas and the hinterland of the country, he said.

In the last two months, the ANS has killed 90 Vietnamese troops, wounded 39 and captured five others, Teap Ben said. He added that 44 Heng Samrin and Vietnamese troops have surrendered to the ANS in the same period.

The ANS chief of staff believed the main battlefield has moved from the border areas to the hinterland and military cooperation among the three resistance factions of the coalition government has greatly increased.

The two other factions are led by Democratic Kampuchean Vice President Khieu Samphan and Prime Minister Son Sann respectively.

SRI LANKA PRIME MINISTER MEETS ZHANG TINGFA

OW101715 Beijing XINHUA in English 1440 GMT 10 Jul 84

[Text] Colombo, July 10 (XINHUA) -- Sri Lanka Prime Minister Ranasinghe Premadesa this morning met visiting Chinese Air Force Commander Zhang Tingfa and his party.

Earlier in the morning, Zhang Tingfa called on National Security Minister Lalith Athulath Mudali. Zhang also called on the commanders of the Sri Lanka Army, Navy and Air Force separately yesterday afternoon.

Last night, Sri Lanka Air Force commander Air Vice-Marshal Dick Perera gave a dinner at the Acland Guest House in honor of Zhang Tingfa and his party. Perera noted at the dinner that it was the first time that a Chinese Air Force commander had ever visited his country.

Zhang Tingfa said there is a long history of friendship bewteen China and Sri Lanka. He expressed his sincere hope that the friendly relations between the peoples and the Armed Forces of the two countries will further develop.

INDIAN OFFICIALS GREET OUTGOING AMBASSADOR

OW110840 Beijing XINHUA in English 0738 GMT 11 Jul 84

[Text] New Delhi, July 11 (XINHUA) -- Chinese Ambassador to India Shen Jian left here for home today at the end of his tenure.

Earlier, the outgoing Chinese ambassador paid farewell calls to Indian President Zail Singh, Vice-President M. Hidayatullah, Prime Minister Indira Gandhi, External Minister P.V. Rao and others. In their talks, they all expressed the hope for furthering the relations between the two countries.

The India-China Friendship Association, the India-China Society and the Kotnis Memorial Committee held meetings respectively to say farewell to the Chinese ambassador. Speakersat these functions praised the long-standing friendship between the peoples of India and China.

OFFICIALS GREET SPANISH CONGRESS DEPUTIES

Wang Renzhong Praises Ties

OW101226 Beijing XINHUA in English 1136 GMT 10 Jul 84

[Text] Beijing, July 10 (XINHUA) -- Wang Renzhong, vice-chairman of the Standing Committee of the National People's Congress, held talks here this morning with a delegation from the Spanish Congress of Deputies led by First Vice-President Leopoldo Torres.

This is the first meeting between leaders of China's NPC and the Spanish Parliament since the two countries established diplomatic relations in 1973.

Wang Renzhong said the visit to China by the Spanish delegation marked a good beginning for friendly contacts bewteen the parliaments of the two countries. He said, in the process of four modernizations China wished to develop cooperation with all friendly countries, importing advanced technology and funds and supplying to each other's need on the basis of equality and mutual benefit. At the same time, he said, "We should mainly rely on our own efforts to raise funds, train qualified personnel and develop science and technology."

Torres briefed the Chinese host on the Spanish parliament's composition, functions and work while Wang Renzhong explained the organizational structure of the NPC, the central and local governments and their inter-relations. The two sides also exchanged views on international issues of common interest.

Taking part in the talks on the Chinese side were He Ying, member of the NPC Standing Committee, and leading members of NPC special committees including Zhang Zhen, Lei Jieqiong, Liu Danian and Ou Tangliang.

On the Spanish side were Second Vice-President of the Spanish Congress of Deputies Antonio Carro Martinez, Third Vice-President Josep Verde i Aldea, Fourth Vice-President Jose Miguel Bravo de Laguna and Spanish Ambassador to China Mariano Ucelay de Montero.

Peng Zhen on Cooperation

OW101612 Beijing XINHUA in English 1456 GMT 10 Jul 84

[Text] Beijing, July 10 (XINHUA) -- "China and Spain have no fundamental conflicts of interest and it is our hope that the two countries will further strengthen their political, economic and cultural contacts," Peng Zhen, chairman of the Standing Committee of the National People's Congress, said today.

Peng told a delegation from the Spanish Congress of deputies led by First Vice-President Leopoldo Torres that China and Spain shared identical or similar views on many major international issues. But, he said, they still knew little about which fields they could cooperate in and how to supply each other's needs. "It is our hope to further strengthen political, economic and cultural contacts between our two countries," he added.

China appreciated Spain's policies on strengthening cooperation with the Third World countries and European unity, Peng said.

Torres said the delegation's visit to China had provided a useful opportunity for promoting mutual understanding between the two parliaments and for closing the friendship between the two peoples.

Present at the meeting in the Great Hall of the People were Wang Renzhong and Wang Hanbin, vice-chairman and secretary-general of the NPC Standing Committee, and Spanish Ambassador to China Mariano Ucelay de Montero.

10 Jul Banquet

OW101814 Beijing XINHUA in English 1641 GMT 10 Jul 84

[Text] Beijing, July 10 (XINHUA) -- "The key to relaxing international tensions and maintaining world peace lies in containing the fierce rivalry and violent nuclear arms race conducted by the two superpowers in all parts of the globe," Wang Renzhong, vice-chairman of the National People's Congress Standing Committee, said here today.

He was speaking at a banquet in honor of a delegation from the Spanish Congress of Deputies led by First Vice-President Leopoldo Torres this evening.

"Safeguarding world peace is a main task of China's foreign policy," Wang said. "The Chinese people, along with all the people of European and other countries, will make unremitting efforts to relax world tensions, curb the arms race and prevent a third world war."

He also said that gratifying results had been achieved in economic, political and cultural contacts since the establishment of Sino-Spanish diplomatic relations in 1973.

Torres said in his speech that the delegation's visit to China marked the beginning of many future contacts between the two parliaments. Such contacts would help the two countries have similar positions in international politics and expand bilateral economic cooperation.

Among those attending the banquet were He Ying, member of the NPC Standing Committee, and Spanish Ambassador to China Mariano Ucelay de Montero.

LI XIANNIAN MEETS ZAIRIAN PARLIAMENTARIANS

OW100844 Beijing XINHUA in English 0830 GMT 10 Jul 84

[Text] Beijing, July 10 (XINHUA) -- President Li Xiannian met a delegation from the Zaire National Legislative Council, headed by its president, Kasongo Mukundji, at the Great Hall of the People here today.

Li said relations between China and Zaire had developed very well. He praised Zaire for developing its national economy and pursuing a foreign policy of nonalignment under the leadership of President Mobutu Sese Seko.

Mukundji described his talks with the Chinese hosts as "inspiring." He said China wanted sincere cooperation with Zaire and supported its struggle against imperialism, apartheid and hegemonism. "We hope our cooperation with China will continue to develop," he added.

Discussing international issues, Li said: "We hope that the African countries, third world countries and nonaligned nations will unite to cope with challenge."

He also briefed the guests on China's economic reforms and its policy of opening up to the rest of the world. He asked Mukundji to convey his best regards to President Mobutu. Mukundji also conveyed President Mobutu's respects for President Li and the Chinese people. Present today were Yang Ligong, member of the National People's Congress Standing Committee; Wang Houde, deputy secretary-general of the NPC Standing Committee; and Zaire Ambassador to China Mushobekwa Kalimba Wa Katana.

The delegation later left for Xian. They were seen off at the airport by Zhu Zuefan, vice-chairman of the NPC Standing Committee.

OFFICIALS HOLD TALKS WITH OAU DELEGATION

Wen Yezhan Expresses Support

OW101201 Beijing XINHUA in English 1141 GMT 10 Jul 84

[Text] Beijing, July 10 (XINHUA) -- China sympathizes with and firmly supports the African people in their just struggle for national independence and liberation, Vice-Foreign Minister Wen Yezhan said here today.

He made this statement during his talks with a delegation from the Organization of African Unity's Liberation Committee, which arrived Monday, headed by Venancio de Silva Moura, Angolan vice-foreign minister.

During the talks, the two sides exchanged views on the situation in southern Africa. They held that the international community should assist the African people in opposing the policy of racism, aggression and expansionism of the South African authorities, and support the Namibian people in their struggle for independence and South African people's struggle for liberation.

Wu Xueqian Speaks at Banquet

OW101925 Beijing XINHUA in English 1841 GMT 10 Jul 84

[Text] Beijing, July 10 (XINHUA) -- The Chinese people will always support the struggles of the Namibian people for independence and the people of South Africa against apartheid and for racial equality, Chinese State Councillor and Foreign Minister Wu Xueqian said here tonight.

Speaking at a banquet for a delegation from the Organization of the African Unity Liberation Committee led by Venancio da Silva Moura, Angolan vice-minister for external relations, Wu said China will remain African people's trustworthy friend and comrade-in-arm. China supports numerous other African states in their just struggle to safeguard their national independence, sovereignty and territorial integrity against foreign aggression and subversion, Wu Xueqian said.

"We fully understand the circumstances Angola, Mozambique and other front-line African states find themselves in and deeply sympathize with them. We firmly support the struggle they are carrying on in line with the conditions of their respective countries," he said.

"Shielded and supported by some foreign powers, the South African authorities are exerting their utmost to block and delay the realization of independence of Namibia in defiance of the relevant resolutions of the United Nations. Within South Africa, they are still stubbornly pursuing the policy of racial discrimination and apartheid, and cruelly suppressing the majority black people. The last ditch fight put up by the South African authorities can never stop the heroic African people from marching towards victory. The whole African Continent is bound to be completely liberated," Wu stressed. China hoped that genuine peace and stability could be achieved in southern Africa, and that countries in the region could speedily revitalize and develop their national economics and steadily improve their people's livelihood, he said.

Moura said that the African countries would spare no efforts in the cause of the complete liberation of the areas not yet independent, and to extinquish all colonialism on the African Continent.

He also condemned the South African authorities for their illegal occupation of Namibia and for blocking its drive toward independence. "South Africa is still resisting the relevant resolutions of the United Nations, the OAU and the non-aligned countries," he said.

Namibian independence could not and should not be hinged on external factors incompatible to Resolution 435 of U.N. Security Council, which was the sole basis for the solution of Namibia issue by peaceful means, Moura said.

ULANHU WELCOMES OMANI DELEGATION 10 JUL

OW101341 Beijing XINHUA in English 1250 GMT 10 Jul 84

[Text] Beijing, July 10 (XINHUA) -- H.H. Sa'id Thuwainy ibn Shibab, special representative of the sultan of Oman, was given a red carpet welcome late this afternoon at a ceremony given by Chinese Vice-President Ulanhu at the plaza east to the Great Hall of the People.

Today, colorful buntings fluttered in the breeze over the main streets of the Changan Avenue. The plaza flew the national flags of China and the Sultanate of Oman. When Thuwainy droved to the plaza, Ulanhu stepped forward to greet him with warm handshakes and exchange greetings. A girl presented him with a bouquet.

The ceremony began at about 18:00 hours with the playing of the national anthems of the two countries. In the company of Ulanhu, Thuwainy reviewed a guard of honor made up of the three services of the Chinese People's Liberation Army. Then Thuwainy walked round to meet the cheering crowd, several hundred youngsters waved colorful bouquets and danced to the music. Thuwainy waved back to the well-wishers in acknowledgement.

Present at the welcoming ceremony were Qian Zhengying, minister of water resources and electric power; Wen Yezhan, vice-minister of foreign affairs; Guo Ziheng, vice-minister of public health; Chen Xinren, adviser to the ministry of culture; and Omani Ambassador to China 'Awad Badr Mar'i ash-Shanfari.

Thuwainy arrived here at noon today by special plane for an official friendly visit to China at the invitation of Vice President Ulanhu.

Khalfan bin Nasir al-Wahaybi, minister of electricity and water; Mubarak ibn Saleh al-Khadduri, minister of health; and Malallah Habib; under-secretary for national relics and culture, who accompanied Thuwainy on his visit to China, also arrived aboard the same plane.

The Omani guests were greeted at the airport by Vice-Foreign Minister Wen Yezhan and Omani Ambassador to China 'Awad Badr Mar'i ash-Shanfari.

LI XIANNIAN FETES PERUVIAN PARTY DELEGATION

OW101556 Beijing XINHUA in English 1508 GMT 10 Jul 84

[Text] Beijing, July 10 (XINHUA) -- Chinese President Li Xiannian said here today that the Chinese Communist Party, the Chinese Government and the Chinese people firmly supported the Latin American people in their struggle to defend sovereignty, oppose intervention, win independence and combat economic oppression by big powers.

He reaffirmed China's resolute support to the just demands of the people of Central American countries to safeguard independence and sovereignty, develop the national economy, improve people's life and strive for social progress. China was opposed to superpower intervention in Central America in any form and under any pretext, he stated.

The Chinese president made these statements at a banquet he gave here this evening for a delegation from the APRA Party of Peru led by its General Secretary Alan Garcia. Before the banquet, he had a cordial conversation with the guests.

Li pointed out that the tense situation in Central America was, fundamentally speaking, due to the long-standing economic and social problems in theat region. But superpower meddling and intervention aggravated the turmoil there.

Referring to Chinese-Peruvian relations, he drew attention to the bright prospects for economic and technical cooperation, trade and coordination in international affairs between the two countries.

The Chinese president said he was sure that the delegation's visit to China would not only increase the friendship between the Chinese and Peruvian parties but would also contribute to the friendly cooperation in various fields between the two countries and the two peoples.

Garcia said that the APRA Party was desirous of strengthening friendship and cooperation between the two parties and the two peoples. "In our talks with the Chinese comrades over the past few days, we have found identity of views on a wide range of issues," he stressed.

Socialism, he pointed out, was the outcome of human struggle while China's struggle enriched the experience in building socialism. The APRA Party attached great importance to the experience of the Chinese party and its achievments in building socialism. The APRA Party was particularly interested in China's efforts to bring up a new people and modernize agriculture.

Garcia pledged support to the Chinese people's struggle against hegemonism and imperialism and for world peace. "We are opposed to arms race because it benefits imperialism only and makes the people all the poorer," he added.

Present on the occasion were Qian Liren, head of the International Liaison Department of the Chinese Communist Party Central Committee, and Zhang Zhixiang, adviser to the department.

CHINA ZHI GONG DANG GROUP VISITS CANADA

OW110048 Beijing XINHUA Domestic Service in Chinese 1513 GMT 3 Jul 84

[Text] Ottawa, 3 Jul (XINHUA) -- A visiting group of the China Zhi Gone Dang arrived in Vancouver by plane on 2 July and began its visit to Canada at the invitation of the Canadian China Hong Society People-Governing Party [zhong quo hong men min zhi dang 0022 0948 3163 7024 3046 3112 8093]. It is the first democratic party group to visit overseas since the founding of the People's Republic of China.

The 6-member delegation is headed by 83-year-old Huang Dingchen, chairman of the China Zhi Gong Dang. During the visit, the delegation will contact Canadian Hong Society personages and friendly figures. The Hong Society is an age-old Overseas Chinese organization found primarily in North American and Southeast Asian countries.

The 3 July editorial of DAHAN GONGBAO [GREAT CHINESE NEWS] the organ of the Canadian China Hong Society People-Governing Party, quoted Huang Dingchen as saying before he left China that the Zhi Gong Dang delegation is making the visit "primarily to call on the Hong Society brothers overseas, introduce the situation of China's construction and the China Zhi Gong Dang, promote mutual understanding and friendship, and strengthen unity." The editorial said: "The visit for the first time by a delegation of a Chinese democratic party and its cordial contacts with its Hong Society brothers overseas will achieve certain results in promoting the motherland's four modernizations, peaceful reunification, and prosperity."

The China Zhai Gong Dang delegation arrived in Canada following its visit to the Philippines. Upon its arrival at the Vancouver airport, it was accorded a welcome by some founding members of the Hong Society, responsible persons of the Canadian China Hong Society People-Governing Party and the Chinese Consul General in Vancouver Zhu Yi.

ZHAO ZIYANG INSPECTS ANSHAN STEEL COMPANY

0x1110400 Beijing XINHUA Domestic Service in Chinese 0851 GMT 10 Jul 84

[By reporter Gu Tiefeng]

[Text] Anshan, 10 Jul (XINHUA) -- While inspecting the Anshan Iron and Steel Company, Premier Zhao pointed out that to remain as dynamic as ever and make still greater contributions, the Anshan Iron and Steel Company should persist in reforms and accelerate its technical renovation.

Premier Zhao and Comrades Li Dongye and Zhou Jiannan, respectively minister of the metallurgical industry and minister of the machinery industry, inspected the Anshan Iron and Steel Company from 7-10 July. Braving the sweltering summer heat, Premier Zhao inspected the company's No 3 steel plant, the semi-continuous rolled steel plant, the seamless steel pipe plant, and the Qidashan iron mine. While touring those units, he had cordial conversations with the grassroot cadres and workers and inquired about the details of their production and technical renovation. He also heard a briefing given by the company's leading group about the company's current production situation, its renovation projects for the Sixth and Seventh 5-Year Plan periods, and gave many important instructions.

On the afternoon of 9 July Premier Zhao and his party, Guo Feng, secretary of the Liaoning provincial party committee, and other leading comrades attended a company meeting marking its 35th founding anniversary. Premier Zhao addressed the ceremony and extended his warmest greetings and regards to the iron and steel company's staff members and workers and their families. He said that while the Anshan Iron and Steel Company's significant contributions and indelible service to the nation's socialist construction over the past 35 years are worthy to be celebrated, the company's mission is gigantic and its way is long in the years ahead. As the company marks its 50th founding anniversary in 1999, it is hoped that the workers, technicians, and cadres at all levels of the company will continue to work hard, persist in reforms, speed up technical renovation, and transform the traditional iron and steel company and arm this old steel base with the world's up-to-date technology and advanced managerial methods in the next 15 years so that the company will continue to be the nation's leading iron and steel producer and make still greater contributions to the country's modernization program.

The Anshan Iron and Steel Company was formally inaugurated on 9 July 1949. Over the past 35 years the company, with the support of other parts of the country, has become the country's largest iron and steel complex. During the past 35 years, the nation has spent nearly 6 billion yuan on the company's capital construction, and the company has turned over more than 32 billion yuan of profits and taxes to the state, or one-third of the total profits and taxes turned over to the state by the nation's iron and steel enterprises, or more than 5 times over the state's total investment in the company's development during the same period. Over the past 35 years, the Anshan Iron and Steel Company has produced over 140 million metric tons of steel, over 140 million metric tons of iron, and over 86 million metric tons of tolled steel -- each accounting for one-fourth of the nation's total during the same period. The company has also transferred more than 50,000 cadres, technicians and skilled workers to various other steel complexes. All this has powerfully supported the nation's socialist construction.

Attends Celebration

SK110545 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 10 Jul 84

[Text] On the afternoon of 9 July, the staff-member and workers' club of the Anshan Iron and Steel Company was adorned with lanterns and festoons and was full of joy.

More than 1,200 representatives from some 100 industrial and mining enterprises, including mines, metallurgical plants, and rolling mills, happily gathered to warmly celebrate the 25th anniversary of the opening of the Anshan Iron and Steel Company.

During the celebration Zhao Ziyang, premier of the State Council, who is on an inspection tour in Anshan City, attended the gathering and received the representatives. He extended congratulations and regards to more than 200,000 staff members and workers of the company on this occasion. Participating representatives, on behalf of the company's workers, expressed their appreciation to the concern shown by the CPC Central Committee and the State Council by giving a warm and long applause.

Also attending the celebration were leading comrades of the central authorities' departments and commissions concerned and of the province and Anshan City, including Li Dongye, Zhou Jiannan, Wang Yuqing, Xu Chi, Guo Feng, Dai Suli, Yin Yuan, and Zhang Jianzhong, and responsible comrades from the departments concerned.

At the celebration (Sun Zhenguo), manager of the Anshan Iron and Steel Company, delivered a speech in which, after reviewing the glorious achievements scored by the company over the past 35 years, he presented the company's plan for the coming 5 years and pointed out that efforts should be made to view the improvement of enterprises' quality as a fundamental basis and the increase of economic results as a central task, to vigorously turn out products in multiple varieties, fine quality, low cost, and of competitive capability, and to build an attractive environment with less pollution, beautiful appearance, and multiple public facilities in order to strive to build the Anshan Iron and Steel Company by the end of this century into a large integrated enterprise that reflects Chinese characteristics and that can be ranked in the first class of the world.

After the gathering the spare-time song and dance troupe of the company's staff members and workers presented a song and dance program created by the troupe itself titled: "Ode to the Anshan Iron and Steel Company."

ZHANG AIPING ARRIVES IN BELJING FROM TOKYO

OW101315 Beijing XINHUA in English 1259 GMT 10 Jul 84

[Text] Beijing, July 10 (XINHUA) -- Chinese Minister of National Defense Zhang Aiping and his wife returned here today at the end of their official friendship visits to the United States and Canada. Zhang, who is also a member of the Central Military Commission of the People's Republic of China and state councillor, met with Yuko Kurihara, director general of the Japanese Defense Agency, in Tokyo on his way home.

Zhang Zhen, deputy chief of the General Staff of the Chinese People's Liberation Army, who accompanied Zhang Aiping on his visit, also returned to Beijing on the same plane. Welcoming them back at the airport were Yang Dezhi, chief of the PLA General Staff, Gan Weihan, deputy director of the PLA General Political Department, Xu Guangyi, deputy director of the PLA General Logistics Department, and Zhu Qizhen, assistant foreign minister. Diplomats from the United States, Canada, France and Japan in Beijing also went to the airport to welcome them.

DENG LIQUN SPEAKS AT BOOK AWARDS CEREMONY

OW101807 Beijing XINHUA in English 1619 GMT 10 Jul 84

[Text] Beijing, July 10 (XINHUA) -- "Thermodynamics", a book written by late physicist Wang Zhuxi, was among the best science and technology books of 1983 cited by the Chinese Publishers' Association.

Reprinted in 1983, the book has been used as a classic by Chinese universities and colleges for many years.

Altogether 68 titles published or reprinted in 1983 were awarded certificates of honor at a ceremony held here today. Other top winners included "Mechanics of Sediment Transport" by Qian Ning and Wan Zhaohui, "Wheat Varieties With Their Pedigree in China" by Jin Shanbao and "In Search of Human Intelligence" by Pan Shu, director of the Institute of Psychology under the Chinese Academy of Sciences.

Deng Liqum, member of the Secretariat of the Chinese Communist Party Central Committee and head of its Propaganda Department, spoke at the ceremony. Also present on the occassion were noted scientists Yan Jici, Zhou Peiyuan and Mao Yisheng, and Minister Zhu Muzhi of culture, as well as some 400 people from science and publishing circles. The awarded books were selected from among 228 titles recommended by 76 publishing houses throughout the country. China published more than 8,000 science books in 1983. The Association awarded 143 titles of science books in 1982 and 1983.

The Far East Culture Enterprises Co of Hong Kong provided help and support for the event.

RENMIN RIBAO EDITORIAL ON 2D-STAGE TAX REFORM

HK110728 Beijing RENMIN RIBAO in Chinese 8 Jul 84 p 1

[Editorial: "A Major Breakthrough -- The Aim and Significance of Carrying Out the Second-Stage Reform in Substituting Tax Payments for Profit Delivery"]

[Text] The state enterprises will carry out the second-stage reform of substituting tax payments for profit delivery in an all-round way beginning in the fourth quarter of 1984. This is a major breakthrough in the restructuring of the economic system in China. It will not only be advantageous to the smashing of the two "big pots," but will also create conditions for a series of reforms of the urban economic system. This is an important macroeconomic policy decision.

In order to solve the distribution relations between the state and enterprises, we have carried out various experiments in reform at selected units in recent years, such as retention of enterprise funds and profits, assuming contracted responsibilities for the profits to be delivered to the state, and so on. In 1983 we took the first step in substituting tax payments for profit delivery. Facts have proven that the substitution of tax payments for profit delivery has more advantages than other methods. It should be noted that the substitution of tax payments for profit delivery is not only a financial matter, but also a major issue of reform. If we do not make a breakthrough in this matter, it will be difficult to carry out the regulations of the State Council on further extending the decisionmaking powers of enterprises, and the reform of imposing no bonus ceiling. It can be assumed that the implementation of substituting tax payments for profit delivery is a fundamental measure for restructuring the economic system.

It is imperative to unswervingly take the second step in substituting tax payments for profit delivery. The method of assuming contracted responsibilities for finance implemented in some enterprises on a trial basis in the past was mainly that of the enterprises assuming contracted responsibilities assigned by the competent departments, the competent departments assuming contracted responsibilities assigned by the financial departments, and the lower levels assuming contracted responsibilities assigned by the higher levels.

Such a method gave rise to a number of problems. It can easily lead to various localities obstructing one another and cause the defect of parochialism, the idea of "small but complete," and "big and complete." It cannot weaken the arbitrary intervention of departments and regions at various levels and is disadvantageous to the separation of government administration from enterprise management and to the development toward specialization. The second stage reform of substituting tax payments for profit delivery can prevent the above defects. Under the guidance of state planning and policies, it can also enable the enterprises to gradually become the economic entities which are owned by the state, can independently carry out operation and management, pay taxes according to the law, and assume sole responsibility for their profits or losses. The substitution of tax payments for profit delivery fixes the distribution relations between the state and enterprises, creates conditions for implementing the system of contracted responsibilities within the enterprises, and closely links the results of enterprise management with the workers' interests.

Will the second-state reform of substituting tax payments for profit delivery affect the interests of enterprises? Such a worry is understandable. While carrying out reform in this respect, the state already gave ample consideration to the interests of enterprises. The purpose of this reform is to further arouse, and not to darpen, the initiative of enterprises. The taxes levied by the state do not mean interfering with the interests of enterprises, but ensuring that enterprises have a rational percentage of profit for retention on the basis of imposing reasonable categories of taxes and tax rates. Naturally, it is also necessary to add certain pressure to enterprises by levying taxes in order to impel the enterprises to "jump up to pick the fruit." The conditions in a large country like ours are complicated. Although we have taken the . second step of reform in substituting tax payments for profit delivery, it is unavoidable that some enterprises may benefit more, some less, and some not at all because it is difficult to solve the irrational price system within a short period of time. With these actual circumstances taken into account, the state will give certain preferential treatment to some enterprises which have temporary difficulties, such as reducing taxes and exempting them from taxes, in order to ensure their reasonable interests and enable them to develop in an appropriate manner. While carrying out the second-stage reform of substituting tax payments for profits for profit delivery, all localities should adopt a resolute attitude, explain the reasons, conduct thorough investigations, adopt feasible methods in light of the actual circumstances, and not impose uniformity on everything, thus further perfecting the reform. In a word, we should not infringe upon the interests of enterprises in carrying out reform, but should further arouse their initiative. How can it be called reform if the workers' production enthusiasm is affected and the interests of enterprises are encroached upon?

While carrying out reform in this respect, it is necessary to give consideration to the interests of the state and enterprises, as well as individuals. The financial resources managed by enterprises are increasing every year since the financial power of enterprises has been extended during the past few years. At present our principle for handling the relations of interests between the state and enterprises is to proceed from the overall situation, act according to our capability, and give consideration to the interests of various respects. The purpose of the new changes in the categories of taxes and tax rates in the current reform is to coordinate the readjustment and restructuring of the economy and to give full play to the regulative role of taxation. The increase or reduction of taxes is just a switch from profit delivery to tax payments, which does not involve price changes. Therefore, it will not increase the burden of the masses. We firmly believe that the second-stage reform will further arouse the initiative of enterprises and workers, promote the development of the national economy, and accelerate the pace of urban reform. All localities and departments should strengthen leadership, coordinate with each other, and successfully and earnestly conduct this reform.

COMMENTATOR ON TIME LIMIT OF CRIMINAL PROCEDURE

HK101355 BEIJING RENMIN RIBAO in Chinese 8 Jul 84 p 4

[Commentator's article: "Strictly Carry Out the Amendment Concerning the Time Limit for Handling Criminal Cases"]

[Text] The amendment made by the NPC Standing Committee concerning the time limit for handling criminal cases constitutes a necessary supplement to the provision in the law on criminal procedure concerning the time limit for handling criminal cases and provides solutions for problems arising from practice. This is of great importance in strengthening the socialist legal system as well as in raising the efficiency of the public security organs, procuratorial organs, and people's coerts in handling cases.

The question of the time limit for handling criminal cases is an important one which affects the protection of personal rights of citizens and our efforts to raise efficiency in handling cases. Those citizens who are suspected of involvement in criminal offenses and prosecuted suffer from great pressure. In addition, the lives of their families and the production undertaken by them will also be affected. Thus, it is necessary to investigate and conclude the cases as quickly as possible. It is necessary to devote even greater efforts to handling those cases where the suspects have been arrested and taken into custody. A suspect could be exempt from prosecution or pronounced not guilty after being investigated and tried. Under such circumstances, if too much time is spent on investigation, prosecution, and the trial, we are not acting in accordance with the principle of conscientiously protecting the personal rights of citizens. Thus, our law on criminal procedure stipulates a strict time limit for handling cases. The criminal procedural law has been in force since 1 January 1980. In view of the inadequate number of workers then employed by the political and legal organs to handle cases, the NPC Standing Committee has, on the basis of suggestions raised by the Superme People's Procuratorate and the Supreme People's Court, twice made flexible provisions. In February 1980 it was decided that during 1980 , if the cases could not be handled within the time limits stipulated by the law on criminal procedure for investigation, prosecution, and the first and second hearings as a result of the exceedingly large number of cases handled by the inadequate number of people responsible for handling cases, the time limit for handling cases could be extended with the approval of the standing committees of the provincial people's congresses. Again, in September 1981, it was decided that before the end of 1983, the time limit for handling complicated criminal cases and the criminal cases in remote areas with poor transportation facilities, which are quite rare, could be appropriately extended with the approval or decision of the standing committees of the provincial people's congresses. The two "decisions" have stipulated the procedures to be discharged before they can approve the extension of the time limit for handling cases under very special circumstances. The set requirements are very strict.

There is a marked difference between the present state of the political and legal organs and that in the past. During the past years, as a result of the large number of people employed to handle cases, the political and professional competence of the cadres has improved. By approving this "amendment," the NPC Standing Committee has set even stricter demands in regard to the question of the time limit for handling criminal cases. The overall principle is that by strictly sticking to the time limit stipulated by the law on criminal procedure for handling cases and by making amendments in order to make allowances for special circumstances, the provisions of the laws are perfected. This is a favorable condition for strengthening the socialist legal system and raising the efficiency in handling criminal cases.

The "amendment" made by the NPC Standing Committee has been promulgated and is now in force. The public security organs, procuratorial organs, and people's courts must handle cases strictly according to the amendment and the law on criminal procedure. In addition, they should also strive to handle the cases more rapidly, but not at the expense of the quality of their work. The time limit for handling cases stipulated by the law is not to be exceeded. Naturally, the more quickly the cases are handled in practice the better. In particular, those criminal cases which constitute a grave danger to social order should still be handled according to the principle of sternly handling criminal cases without delay and the relevant resolutions adopted by the NPC Standing Committee. The public security organs, procuratorial organs, and people's courts should conscientiously improve their work and devote greater efforts to investigation before arresting the suspects. The suspects must not be arrested until the facts have been ascertained. It is necessary to strictly enforce Article 40 of the law on criminal procedure. After arresting the suspects, if it is discovered that the suspects under detention pose no threat to society, we should, without delay, release them on bail to await their trial and put their residence under surveillance. In the course of investigation, prosecution, and trial, it is necessary to pay attention to reforming our ways of doing things and to avoid overelaboration and redundant work. The public security organs, procuratorial organs, and people's courts should attend to their own business, fulfill their own duties, and not dispute over trifles or shift responsibility onto one another. In particular, they should acquire a better conception of the legal system, constantly summarize experience, raise efficiency, and handle criminal cases more efficiently and more satisfactorily.

RENMIN RIBAO DISCUSSES, SUPPORTS CONTRACT SYSTEM

l Jul Article

HK100604 Beijing RENMIN RIBAO in Chinese 1 Jul 84 p 2

[Report by RENMIN RIBAO reporter Lu Mu: "While Supporting the Contract System, We Must Courageously Undertake Contracted Work — Commenting on Reforms in the Capital Construction and Building Industry, Part I"]

[Text] The key to the reform of the capital construction and building industries is to institute the systems of investment responsibility and public bidding. What is the current situation? According to some participants of the national forum on restructuring the managerial systems of the building industry and capital construction, only a small number of construction projects and a few advanced regions and enterprises have instituted the systems of investment responsibility and public bidding. There are currently only a few people who disapprove or publicly oppose the contract system carried out on the capital construction front. However, quite a few people fail to carry it out resolutely, readily, and earnestly. In many localities there are still people who are unwilling to or who dare not undertake contracted work because they remain undecided, want to wait for favorable conditions, or are full of worries. In dealing with contracted work, it seems necessary to first solve the problem arising from erroneous thinking or understanding.

1. Some people are afraid of running risks. Once we lose money when carrying out reform or in undertaking contracted work, we assume political and economic responsibilities. And the workers and staff members will also be dissatisfied with us. We shall indeed run some risks. However, just as some comrades have said: If we fix our eyes on the "risks" only, we shall be at a standstill; what is important is that we face up to the potentials and problems of our enterprise, gather up our courage to carry out reform, and replace our fear with boldness.

When the Baoshan Iron and Steel Plant proposed the trial implementation of the investment responsibility system in an all-round way, the leading comrades of the project headquarters were also afraid of their inability to undertake contract work and of running risks. Later, after repeated and serious discussions, they noted the bitter consequence caused to the enterprise by unlimited expenditures and also the favorable factors and internal potential of the enterprise and so felt the need and feasibility to undertake contract work. Consequently, they succeeded in reducing the internal budgetary investment estimate for the first-phase project of the Baoshan Iron and Steel Plant by 190 million yuan, accelerating the pace of the project, and reducing the costs and expenditures for construction. Thus the construction project took on a new look. When the project headquarters of Baoshan County in Shanghai contracted for the Zoumatang drainage works in Wujaochang, Jiangwan, they initially were afraid of being unable to make up for the loss caused by overspending. They presented the proposal to the Shanghai Municipal Engineering Bureau of sharing the deficit on a fifty-fifty basis. Practice proved that this worry was unnecessary. After careful calculation, strict budgeting, and intensified construction, the project was finally completed 90 days ahead of schedule and the contracted investment amount saved was more than 1.7 million yuan. Some comrades put it well when they said: The true qualities of reformers lie in their pioneering spirit of making light of difficulties and dangers and of meeting difficulties head-on. How can one stand in the forefront of reform and lead reform if one is afraid of running risks and does not dare to undertake contract work? This can only result in the continued practice of "everybody eating from the same big pot."

- 2. The thinking of small producers plays mischief with their minds. The advanced localities and enterprises have carried out reform and contract work for several years and have gained some experience. However, the leading comrades of quite a few localities and enterprises are not very interested in these new things. Complacent and conservative, they stick to the old ways and are used to acting according to the old conventions, such as control, blockade, and the practice of "everybody eating from the same big pot" and of "ensuring stable yields despite drought or excessive rain." They act slowly and lack a pioneering and creative spirit. When talking about reform in the building industry, a responsible comrade of the central authorities pointed out: "In carrying out reform, we should pay attention to eliminating the ideas of small producers"; being full of misgivings, lacking boldness and foresight, and acting slowly without paying attention to time, efficiency, and results are all manifestations of the ideas of small producers. "Time is money." There is a great difference between a project going into operation early and one going into operation late. In carrying out the contract system in the building industry, we must maintain a sense of time.
- 3. They are afraid that the terms of contract cannot be fulfilled. Some comrades said that without reforming the existing supply system of capital construction materials, it would be difficult to promote the systems of investment responsibility and inviting and submitting tenders however good the systems might be. It should be acknowledged that the state has limited financial and material resources and, particularly, there is a gap in the supply of building materials. This has caused some difficulties in implementing the contract system. However, this does not in the least signify that it is impossible to promote contracted work and the system of inviting tenders without reforming the materials supply system in an all-round way.

As a matter of fact, quite a few localities and units have satisfactorily solved this problem in the course of their practice.

In implementing the system of investment responsibility for 15 projects, the Ministry of Communications signed contracts with units for which the construction projects are built, specifying in explicit terms the budgetary investment estimate, construction period, project quality, and the supply of materials in the contracts. It also adopted the method of inspecting the implementation of contracts on a quarterly basis. The leaders at various levels and responsible persons for the projects frequently went to the worksite to coordinate and solve the problems which cropped up in the course of implementation and thus ensured the fulfillment of the terms of the contracts. Guangdong Province distributed construction materials to construction units in the past. It now distributes the materials to units which contract for the projects and has gradually increased the supply through regulation by market mechanisms. In the supply of building materials, Shenzhen City has attained relatively better results by opening all avenues, allowing many units to carry out business, and encouraging competition. There are many similar examples. As long as we are resolved to institute reform, we can find ways to carry it out. We shall accomplish nothing if we are filled with worry.

4 Jul Article

HK101303 Beijing RENMIN RIBAO in Chinese 4 Jul 84 p 2

[Report by Lu Mu: "Give the Green Light to Competition -- Commenting on the Reforms of Capital Construction and the Building Industry, Part II"]

[Text] Conducting competition in such areas as capital construction and the building industry can break down the barriers between different departments and those between different regions and help shorten the construction cycle, reduce costs, and attain better economic results. However, on the issue of competition, some people have all sorts of doubts and misgivings. At present, only when misgivings are dispelled can a breakthrough be made in competition. Does encouraging competition mean practicing capitalism? Now there are indeed some people who still regard launching competition by inviting tenders as a capitalist way of doing things. In fact, capitalist countries use the method of launching competition by inviting tenders and so do socialist countries. The practice of Shenzhen has proved that launching competition by inviting tenders under the socialist system is led, organized, coordinated, and supervised by the departments in charge of capital construction and is not in contradiction with the principle of the leading role of the planned economy. Those who participate in public bidding to compete for undertaking projects are all (except foreign investors) socialist economic organizations wanting to carry out state projects in a way which will achieve greater, faster, better, and more economic results. It will not harm any party in allowing the one party to attain better returns from investment and to ensure the other party of rational profits. Serving socialist construction by means of competition is a good thing.

Launching competition or not launching competition makes a world of difference. The Weichang He project in Baogang was originally planned to be contracted to several selected units section by section according to the budgetary estimate. However the units concerned demanded a price much higher than the unit price scheduled in the budgetary estimate. Subsequently, most tasks of the project were contracted to the peasants' construction teams through public bidding. As a result, the whole Weichang He project cost at least 3.7 million yuan less than the amount scheduled in the budgetary estimate.

Such instances are too numerous to mention. Facts illustrate that without competition, it will be hard to smash the practice of everybody eating "from the same big pot" but with competition and with comparison, enterprises that are advanced can be encouraged and those that are backward can be incited, and enterprises can develop in the course of competing with each other.

Competition can break through the relationship network. A comrade from Guangzhou City reported: Inviting tenders is a job which demands painstaking efforts. It takes great pains to work out accounts before inviting tenders. For this reason, quite a few units prefer to look after their "related households" [guan xi hu 7070 4762 2073] rather than invite tenders. Looking after "related households" is caused mainly by the force of habit, such as putting up barriers between different regions and the system of ownership by the departments and not merely by the mentality of being afraid of getting into trouble. To meet the urgent need for building floor space of 55,000 square meters of dormitories, the Changchun No 1 motor vehicle plant decided on contracting the project to three enterprises to undertake through public bidding. When the result of the public bidding was published, it turned out that an enterprise from outside the province, which provided low construction costs and promised a short construction cycle, had failed to win the tender and this was caused by "related households" which were the outcome of the longstanding barriers between different regions. Evidently, to launch competition, quite a few shackles of conventional ideas should be smashed. Otherwise, the development of productive forces will surely be hindered.

The practice in Guangdong Province of not protecting enterprises that are backward deserves praise. After construction units from other provinces came in large groups to undertake projects in Guangdong Province, some local enterprises asked the departments concerned to limit the number of outsiders. However, rising to the challenge in competition, the Guangdong Provincial Construction Commission was determined to force enterprises that were backward to fight to win or die. At present Guangdong's construction units have not only gained a firm foothold in the province but also began to march into some 10 provinces and cities at home and some foreign countries to contract for projects.

RENMIN RIBAO ON LEASE SYSTEM IN ANHUI PLANT

HK100600 Beijing RENMIN RIBAO in Chinese 3 Jul 84 p 1

[Report by Zhang Zhengjo: "Anhui's Fanchang Pharmaceutical Plant Reforms Management by Practicing the Lease System"]

[Text] In Anhui, eight young people of the Fanchang pharmaceutical plant contracted to run a state-owned plant and have accomplished more in 9 months than was accomplished in the past 9 years. On 14 April, we published a report on the front page about their deeds. In the past 2 months or more, they have boldly launched reforms and submitted a "report" to Fanchang County CPC Committee and Fanchang County People's Government "to ask for instructions concerning the application of the lease system by Fanchang pharmaceutical plant." The county CPC Committee and the county People's Government have discussed and approved their report. The Wuhu City CPC Committee and the Anhui Provincial CPC Committee resolutely lent support to their innovative spirit.

On 1 July, the Fanchang County Economic Commission formally leased the state-owned plant, with a labor force of more than 200, to 3 young people -- Zhu Guoqiong, leader of the original contracting group and director of the pharmaceutical plant, Ou Dawei, the deputy director, and Zhang Yuya. Zhu Guoqiong is an assistant engineer. She was appointed director of the plant by higher authorities.

Other leaders were members of the "cabinet" which she organized. The leadership of the plant's party branch has been reelected. The party branch is to play the role of ensuring production and no other.

They have leased the plant in order to arouse the enthusiasm of everybody in the plant and to turn them into "pawns on a chess board, which can only move forward, but not backward." In this way, one's economic interests will be dependent on one's performance, the workers will not "eat from the same big pot" of the enterprises, and the enterprises will not "eat from the same big pot" of the state. The specific adopted measures are as follows:

- 1. The state-owned status of the enterprise leased to them will not change. The fixed assets are still owned by the state. However, the people who undertake to lease the plant have the right to renew and transform the facilities and they can make their own decisions on unused facilities.
- 2. The base for the annual rent is fixed at 7 percent of the original value of the fixed assests and the rent increases by 10 percent each year. This will not change within 10 years. Industrial and commercial taxes are to be delivered to the state separately.
- 3. Each year, after deducting rent and taxes from the surplus, they can use 30 to 70 percent of the surplus for developing production and as workers' welfare funds. It is particularly necessary to reserve some funds for paying the rent in case business is bad.
- 4. The personnel and wage systems have been reformed and the life tenure of cadres is abolished. Workers are openly recruited and the "iron rice bowl" is smashed. The workers are employed on a contract basis and they are not to "eat from the same big pot." The floating wage system, under which the entire salaries of the workers float, has been adopted. In addition, maximum and minimum levels for salaries are not fixed. Those who do more work will be given more pay and those who do not do any work will be given nothing. The salaries of the workers will be used to make up the difference if profits made cannot meet the rent payment.
- 5. With the attainment of economic results and the observance of law and discipline as the central tasks, the director of the plant is to be responsible to the country Economic Commission, the deputy director of the plant to the director, the directors of the workshops (sections, offices) to the responsible cadres at factory level, heads of teams of workers to their immediate superiors, and the workers to the heads of their teams. In this way, the plant is compactly laid out and each level can function efficiently.

Witnessed by judicial departments, both parties have signed the contract. The contract was effective from 1 July.

RENMIN RIBAO ON MOBILITY OF CAPABLE PEASANTS

Article on Situation

HK100457 Beijing RENMIN RIBAO in Chinese 4 Jul 84 p 2

[Report by Zhao Zeyun and Bai Zhengxue: "Peasants From Hebei Go to Yinchuan City, Ningxia, To Manufacture Bean Products"]

[Text] The peasants in Duding Village, Wei County, Hebei Province, have exported the techniques of making rice noodles, bean jelly, and bean curd to Yinchuan City, Ningxia Region. Local people in Yinchuan are now supplied with more bean products, while the peasants manage to earn more money.

The making of bean products is a traditional trade for the peasants of Duding Village, where there is a large population but limited land. In the wake of the implementation of the contract system linking remuneration to output, the peasants' initiative in production was brought into full play and there was a surplus labor force in the village, so some people started the business of making rice noodles, bean curd, and bean jelly. However, their business failed to boom due to the restrictions regarding the supply of raw materials and market demand. In 1979 the villagers learned that large quantitities of broad beans, peas, and soybeans were available at a low price in Yinchuan, but non-staple foodstuffs such as rice noodles and bean curd, favorite foodstuffs for local people, were in short supply there. Having heard about this situation, 18 peasants from Duding Village went to Yinchuan to begin a business in making bean products. They earned more than 1,000 yuan each in 4 months. Then, in 1980 more than 60 people went to Yinchuan. The number of people engaging in the new venture increased to nearly 200 last year.

They have adopted four different management forms in light of the actual situation in Yinchuan. The first one is to run the business with their own capital and their own equipment in a space rented from local people. The second is to make use of local funds and equipment based on agreed terms of compensation. The third is to provide a technical consultative service to local people who run bean product shops at their own expense and to charge them for such a service. The fourth is to process the semi-finished products produced by local large mills inot finished products. Thus, the Duding villagers have made money by importing techniques to Yinchuan and supplying local people with commodities. Zhang Tingyuan, a peasant from the village, opened a bean product mill in Yinchuan and made a net profit of more than 50,000 yuan in 4 years. So far, the village has made an income of more than 500,000 yuan by exporting bean product processing techniques and has trained hundreds of skilled workers for Yinchuan City. Now, in an attempt to expand the scale of commodity production, the village is planning to open a medium-sized bean product processing plant in Yinchuan with its own funds and technical personnel and a dairy with scrap from the former as feed for the cows.

Commentator's Article

HK100558 Beijing RENMIN RIBAO in Chinese 4 Jul 84 p 2

[Commentator's atticle: "Allowing Mobility of Capable Rural People Has Many Advantages"]

[Text] Peasants from Hebi Province go to Yinchuan City in Ningxia Region to make and sell bean products. Skilled workers from the rural areas of Zhejiang Province go to Xinjiang Region to run service trades. Construction teams formed by peasants from Jiangsu Province bid for housing projects in Nei Monggol Autonomous Region, Heilongjiang Province, and other places. New things like these have been reported one after another in recent years. This shows that rural economy is becoming more and more prosperous.

Our country is a big one and the development of the rural economy is rather imbalanced in different areas. Generally speaking, the economy is better developed, and there are more technical personnel and more favorable material conditions, in the rural areas along the coast. There is a gap in varying degrees between the hinterland and remote rural areas on the one hand and the coastal areas on the other. While giving full play to the role of their technical personnel in further enlivening the local rural economy, these developed areas should also allow and encourage some technical personnel to leave their home villages on a voluntary basis to promote the economy in underdeveloped areas.

We used to vigorously encourage "investment of the labor force in farmland" in the past and restrict those people with specialized techniques on limited farmland. Facts have shown that this is an incorrect policy. Nowadays, qualified personnel (including technical personnel and management personnel) and funds from rural areas are allowed to flow, subject to certain conditions. This will greatly help enliven the rural economy and develop commodity production in rural areas. Qualified personnel in rural areas should be allowed to go to the towns to engage in industry and commerce, run warehouses, and open trade centers in large cities. In particular, they should be encouraged to move to those economically underdeveloped areas. We must advocate this practice, which is of great significance for the economic development of underdeveloped areas and is a new source of income for developed areas.

The state can appropriately prepare favorable conditions and provide necessary information to technical personnel, encouraging them to move to underdeveloped areas on a fully voluntary basis. Leading departments concerned in developed areas should vigorously encourage qualified personnel in rural areas to move to underdeveloped areas and allow them to transfer their contracted plots of farmland to others. On the other hand, underdeveloped areas should not only welcome advanced and intermediate scientific and technological personnel, but also technical personnel from other rural areas. This policy may help to narrow the gap between economically developed and underdeveloped areas and speed up the development of commodity production in rural areas throughout the country.

ADMINISTRATIVE SCIENCE MEETING ENDS IN TIANJIN

OW091325 Beijing XINHUA Domestic Service in Chinese 1414 GMT 7 Jul 84

[By reporter Ma Jie]

[Excerpts] Tianjin, 7 Jul (XINHUA) -- The first national academic meeting on administrative science concluded in Tianjin today. The meeting pointed out: Carrying out reform and doing away with malpractices in administrative work in various state organs and raising the standards and efficiency in carrying out administration and management work constitute an important guarantee in reforming the economic system.

More than 80 representatives from various state organs, scientific research units and institutions of higher learning attended the meeting. They held: Whether state administration is good or bad directly affects the national economy, the people's livelihood, and government work results. At present bureaucracy and other malpractices still prevail in China's administrative organs. All this prevents the superiority of the socialist system from being brought into full play, and hampers the reform of the economic system. Therefore, our pressing task is to actively study administrative science and law, reform China's administrative system and train more competent persons in the field of administrative science and management.

The meeting was jointly sponsored by the Chinese Society of Political Science, the Chinese Society of Law and the Tianjin Municipal Society of Administrative Science. Zhang Youyu, president of the Chinese Society of Political Science and the Chinese Society of Law, attended the meeting. At the end of the meeting, Ma Hong, president of the Academy of the Social Sciences of China, delivered a speech.

EVENING ACTIVITIES URGED TO COMBAT BOREDOM

OW100951 Beijing XINHUA in English 0904 GMT 10 Jul 84

[Text] Beijing, July 10 (XINHUA) -- Beijing residents are demanding better recreational and leisure facilities in the evenings.

A letter in today's GUANGMING DAILY complains that most recreation centers are shut in the evening when the citizens, after a day's work, want to take part in such activities. Reader Yang Xiao wrote of the boredom this led to: "Many people have to go to the sidewalk, playing cards or chess, or just watching the passing pedestrians and motor vehicles." And two travellers from other parts of the country once told reporters of OUTLOOK, a political and news weekly, that because they had nowhere to go, they spent the evenings riding round the city on buses. They suggested setting up evening "markets of culture" for activities like park visiting, bookselling, and dancing, and for exhibitions of painting and calligraphy and natural sciences.

The city with a population of more than nine million has 11 museums, six exhibition centers, 13 public libraries, 96 cultural centers, 99 cinemas, 20 theaters, seven stadiums, three gymnasiums and 33 parks, according to the latest issue of the weekly OUTLOOK. "But the four parks in the city proper and many other recreation centers are closed to the citizens in the evening," the weekly said. Its commentary continued: "Enjoying a more well-off and stable life, the people want more colorful cultural life. Commercial evening markets have been set up in the city. Similar efforts should be made in the recreational field."

HIGHER EDUCATION PRESS PRINTS COLLEGE BOOKS

OW100955 Beijing XINHUA in English 0836 GMT 10 Jul 84

[Text] Beijing, July 10 (XINHUA) -- The China Higher Education Press has published 4,300 textbooks and reference books since its founding in 1954, 350 million copies in all, a forum was told here yesterday. Every school term the house sells nearly 1,000 titles to universities, colleges of science and engineering and liberal arts, workers' and correspondence colleges and secondary technical schools. Teach-yourself books are also compiled. The press is one of the major publishing houses that publish books for universities and colleges.

FIRST PRC-BUILT OIL RIG TESTING COMPLETE

OW100950 Beijing XINHUA in English 0819 GMT 10 Jul 84

[Text] Shanghai, July 10 (XINHUA) -- A semi-submersible oil rig, the first of its kind built by China herself, has been given for oil exploration in the East China Sea. With 8,600 pieces of equipment, the Kantan-3 (Exploration No 3) oil rig has been approved by the registers of shipping of China and the United States. It is designed to drill 5,000-meter deep wells in waters at depths of 35 to 200 meters. Between June 25 and July 6, the rig, built by the Shanghai shipyard, was towed out to the East China Sea for anchoring and positioning tests and withstood fresh gales and five-meter high waves. It can take hurricanes and 18-meter high waves. The rig, as big as a football field and 100 meters in height, will be manned by 124 people and equipped with complete living facilities.

YANG DEZHI PRAISES OUTSTANDING VETERAN CADRE

OW012010 Beijing XINHUA Domestic Service in Chinese 1529 GMT 30 Jun 84

[Excerpts] Beijing, 30 Jun (XINHUA) — A veteran cadre named Wang Xiafang has never forgotten to add luster to the party's flag by enthusiastically doing social work since he left his post for convalescence. Today he was cited as an outstanding Communist Party member by the party committee of the PLA General Staff Department. At today's report meeting on Wang Xiafang's deeds held by the General Staff Department, Chief of General Staff Yang Dezhi, spoke highly of this veteran cadre's lofty spirit and moral character reflected by his warm love for the party, the motherland, and the people and his determination to be dedicated to the cause of communism. Yang Dezhi praised him as a model cadre who has left his work post for convalescence, and called on all comrades to emulate him and try to be qualified Communist Party members in the course of party rectification.

YANG SHANGKUN MEETS PLA MEDICAL PROFESSOR

OWO62134 Beijing XINHUA Domestic Service in Chinese 1616 GMT 5 Jul 84

[By reporters Gu Yuezhong and Liu Nanchang]

[Text] Beijing, 5 Jul (XINHUA) -- Responsible comrades of the Central Military Commission Yang Shangkun, Yu Giuli, and Hong Xuezhi this afternoon met with Professor Huang Cuifen, a model worker on the PLA's medical science research front, and praised the outstanding contributions she has made to the development of the military medicine of the motherland.

iuang Cuifen, 64, is a professor of the Academy of Military Medical Sciences of the PLA. She received her master's degree at Cornell University in the United States in the 1940's. In 1950, she returned to the motherland with her husband after enduring all sorts of nardships and difficulties. During the 10 years of turmoil, she remained steadfast in her loyalty to the socialist motherland with all her adverse circumstances. In the last 3 years she led some 40 scientific and technical workers to do research work which resulted in the creation of 23 new techniques and methods. They also scored success in 10 research projects — 2 were the first successful ones in our country and 8 won the all-Army science and technology awards.

At the meeting, Prof Huang Cuifen briefed the responsible comrades of the Central Military Commission on how she had led the first molecular genetics laboratory in the whole Army to achieve success in using genetic engineering technology to produce a nuclear antigen of the B-type hepatitis virus. This achievement has provided an important diagnostic agent to be used in preventing and controlling hepatitis. After hearing this, the responsible comrades of the Central Military Commission were very delighted. Grasping Prof Huang Cuifen's hand, Yang Shangkun said: "Thank you, professor."

AN LI, LI XIMING GREET BEIJING QUIZ WINNER

WO81634 Beijing XINHUA in English 1622 GMT 8 Jul 84

Text] Beijing, July 8 (XINHUA) -- Preparation got underway here today for a citywide public quiz, still several few weeks away. Quiz organizers set up more than 100 desks in People's Palace of Culture in the center of the city to offer consulting services to 60,000 Beijing residents. Called "New China and New Beijing", the quiz will be one of the activities to greet the 35th anniversary of the People's Republic of China on Oct 1. Questions of the test are expected to be made public at the end of this month or early August.

Today's consulting service was jointly sponsored by the Beijing municipal committee to guide workers in book reading and the BEIJING DAILY, the coorganizers of the quiz. Various ministries and commissions under the State Council as well as enterprises and other organizations helped by sending staff members to answer questions raised by visitors. They also played audio-video recorders and distributed printed materials on achievements and other facts about China and Beijing since 1949, the theme of the forthcoming quiz. Charts and tables were also posted. People surrounding the desks were mostly youths. They asked questions or jotted down information from the charts. Questions they asked ranged from how many oilfields China has, how many kilometers of railways new China has built during the past 35 years, to problems regarding China's on-going economic restructuring.

Vice-Premier Wan Li, new Beijing Municipal Party Secretary Li Ximing and Mayor Chen Xitong were on the scene. After going round some desks and bookstalls, Wan Li suggested to the mayor more and better books on history and geography be published to cater to the need of young people.

When the top winner of a public quiz held at the end of last year was introduced to the vice premier, Wan Li shook hands with her and said with a note of approval, "One can also become educated through a self-taught way." Liu Shujian, the top winner, is a 36-year-old worker at the Beijing cable factory. She later told XINHUA that almost all of the 6,000 workers in her factory were ready to take part in the forthcoming open-book quiz. Many "consulting service Sundays" like the one held today have been held in Beijing in recent years, helping residents to acquire knowledge on a variety of subjects, from legal affairs to better care for children.

WAN LI, OTHERS JOIN BEIJING BRIDGE TOURNAMENT

OW260849 Beijing XINHUA Domestic Service in Chinese 1651 GMT 24 Jun 84

[Excerpts] Beijing, 24 Jun (XINHUA) — The 1984 "Planning and Health" Old Comrades' Invitational Bridge Tournament was held this afternoon and evening in Beijing. The results of the tournament are: The four teams headed by Wang Hanbin, secretary general of the NPC Standing Committee; Wan Li, vice premier of the State Council; Zhang Tianze, president of the Tianjin Municipal People's Hospital; and Lu Zhengcao, vice chairman of the CPPCC National Committee each won first place in their respective groups.

Playing in today's tournament were senior bridge players from the various ministries and commissions of the central authorities and noted personages of Tianjin and Beijing Municipalities, totaling 64 people.

The current "Planning and Health" Old Comrades' Invitational Bridge Tournament was jointly sponsored by the Chinese Bridge Association, the Chinese Physical Cultural Service Company, and the Wenjin Club. Such an invitational bridge tournament has been held five times before.

After the tournament ended, an award presentation ceremony was held, in which Rong Gaotang, the chairman of the Chinese Bridge Association, and the Chinese Physical Cultural Service Company's Deputy General Manager Zheng Fengrong separately presented prizes and souvenirs to the champion team of each group and all the players in the tournament.

MINISTER INSPECTS YAKESHI FOREST AREA

SK110506 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 10 Jul 84

[Text] Yang Zhong, the minister of forestry, recently came to the Yakeshi forest area to examine and to acquaint himself with the reform situation in the state-owned forestry enterprises. Minister Yang Zhong listened to briefings by the Yakeshi Forestry Administrative Bureau, and met with some bureau cadres. Minister Yang Zhong said: The Yakeshi forest area has contributed much to the state since its development 30 years ago and the forestry enterprises have scored great achievements in reform. This resulted from the joint efforts of the broad masses of forest workers and the people of various nationalities in the forest area under the leadership of the regional CPC Committee.

Minister Yang Zhong noted: We still have to shoulder heavy tasks in order to make the economic situation in the forest area more prosperous. He called on the forestry enterprises to clearly define and adopt a correct attitude towards the operational guidelines of the state-owned forest area, turn the advantages of natural resources into economic advantages, develop the various sectors of the economy, break with the situation in which the state-owned economic units monopolize everything, speed up reforms, and raise the quality of enterprises and economic results. He said: We should apply the agricultural contracting experience to forestry, carry out the various forms of contract responsibility system, conscientiously implement the party's policy on intellectuals, and let intellectuals fully display their wisdom and talents.

During his stay in the Yakeshi forest area, Minister Yang Zhong also went to [words indistinct] to acquaint himself with the production situation and to visit some staff members and workers.

SONG RENQIONG ATTENDS SOIREE FOR OLYMPIC TEAM

OWO41021 Beijing XINHUA Domestic Service in Chinese 1702 GMT 3 Jul 84

[Excerpts] Beijing, 3 Jul (XINHUA) -- The red curtain slowly rose, and a special presentation of literary and art program began on the stage. This was a soiree held here this evening by the Ministry of Culture and the State Physical Culture and Sports Commission as a warm send-off for the Chinese sports delegation to the 23d Olympic Games in Los Angeles. Song Renqiong, Zhu Muzhi, Li Menghua, Rong Gaotang, Zhong Shitong, and other leaders attended the soiree along with athletes and coaches. Before the literary and art presentation, Vice Minister of Culture Ding Qiao made a send-off speech to the athletes. Speaking on behalf of the athletes, Lang Ping of the Chinese women's voileyball team said: We will definitely live up to the expectations of the party and the people, strive hard at the Olympics, and try to bring back many medals as our contribution to the motherland. Movie actress Pan Hong acted as the emcee for the soiree, which not only presented excellent entertainment but was also a happy gathering of literary and art workers and athletes. The soiree was permeated with a warm atmosphere and with joyful laughter and applause.

HAO JIANXIU MEETS LIAONING'S ZHANG GONGSHENG

SK260452 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 25 Jun 84

[Text] On the evening of 24 June Hao Jianxiu, alternate member of the Secretariat of the Central Committee, met with Zhang Gongsheng, an excellent cadre in charge of ideological and political work under the All-China Federation of Trade Unions and vice chairman of Liaoning power plant's trade union, at the Great Hall of the People.

Warmly holding Zhang Gongsheng's hands, Hao Jianxiu praised his good deeds and talks. He also told Zhang Gongsheng at the meeting: Over the past 20 years, you persisted in telling revolutionary stories in spite of the bad time such as the political frustration and serious illness. However, you went through these. It is not an easy job.

Hao Jianxiu encouraged Zhang Gongsheng to continuously study and make persistent efforts. Hao Jianxiu showed concern over Zhang Gongsheng's health and asked him to take care of it. Hao Jianxiu added: After the meeting, I will introduce a few doctors to you for your detailed physical examination. They will think of more ways for medical treatment in Beijing for a certain period of time.

Zhang Gongsheng repeatedly expressed thanks for the central leaders' concern.

After the meeting, Comrade Hao Jianxiu and Comrade Zhang Gongsheng hand in hand, came out of the Great Hall of the People and got into a car. Together with leading comrades including Ni Zhifu, they attended a garden party for activists of the rejuvenating China reading campaign, sponsored by Beijing Municipality, at Working People's Cultural Palace. Also attending the meeting was (Li Xianying), secretary of Secretariat of the All-China Federation of Trade Unions.

DENG XIAOPING SIGNS CITATION FOR PLA FARM

OWO21035 Beijing XINHUA Domestic Service in Chinese 1415 GMT 30 Jul 84

[Text] Beijing, 30 Jun (XINHUA) -- The PRC's Central Military Commission recently issued an order awarding a certain divisional farm under the Shenyang PLA units a collective citation for merit, first class, for its high profits and great contributions.

Signed by Central Military Commission Chairman Deng Xiaoping, the order says: Over the past two decades and more since its establishment, the farm has displayed an enterprising spirit of fearing no hardships and has constantly expanded its production and output through hard work. Since the convocation of the 3d Plenary Session of the 11th CPC Central Committee, the farm has boldly made reforms, carried out the production responsibility system in an all-round way, improved scientific farming, worked hard to raise economic results, and fulfilled the higher authorities' demand for "boosting grain output and raising income by using less manpower." Despite natural disasters in 1983, the farm still reaped a bumper grain harvest with total output doubling that of 1982. With per-capita cultivated land of 147 mu, grain output of 61,560 jin, and income of 9,150 yuan, the farm boasts the highest records among military farms throughout the Army. It has also strived to achieve a higher level of mechanization, and has now basically realized mechanization in plowing, sowing, transportation, harvesting, and storage. Moreover, the farm has enthusiastically passed on its production experience to neighboring farms by selflessly supplying them with fine seed strains. By actively cooperating with and assisting the local Languag production brigade, the farm has helped the brigade masses achieve prosperity through labor. With every household possessing a color television set, the production brigade is now known as a "color television village" in the province.

FUJIAN'S XIANG NAN CHECKS SATELLITE RECEIVER

OW091315 Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 7 Jul 84

[Text] According to a dispatch from reporter (Du Zeyi) of the Central People's Broadcasting Station, the prototype K-band satellite radio and television receiving equipment with 3-meter antennas developed by a number of research institutes and factories of China's electronics industry is of high quality. The major specifications of this equipment meet international standards, this reporter learned at the national meeting to compare and assess prototype satellite radio and television receiving equipment held in Fuzhou today.

The meeting is held to evaluate the quality and finalize the design of satellite radio and television ground receiving equipment developing in China. The quality of the signals received shows that the receiving equipment developed in China meets the generally designed standards. The quality of both video and audio signals is much better than that of signals received by means of 15-meter antennas and related satellite ground receiving stations.

Those attending the meeting held: The ground receiving equipment successfully developed in China can be easily installed. Maintenance and operation of the equipment are quite simple. It is small in size and low in price. Meeting China's own requirements, it can be readily popularized.

The national meeting to compare and assess prototype satellite radio and television receiving equipment is sponsored by the Ministry of Electronics Industry. On the evening of 6 July, First Secretary Xiang Nan and other leading comrades of the provincial CPC Committee met with those attending the meeting and listened to a report. They also waterhed a television program received through the satellite. Also present at the meeting were Wei Mingyi, vice minister of the electronics industry; (Lo Keqin), adviser to the Ministry of Radio and Television; and others.

HU HONG ADDRESSES FUJIAN RECTIFICATION MEETING

OW110539 Fuzhou FUJIAN RIBAO in Chinese 29 Jun 84 p 1

[Excerpts] The Fujian Provincial CPC Committee on 26 June called a meeting of responsible persons of groups for guiding party rectification, and of party rectification offices in units directly under the provincial authority. The meeting discussed how to strengthen leadership over the second group of units carrying out party rectification, how to follow the correct style of study, and how to correct mistakes while carrying out party rectification.

Comrade Gao Hu, Standing Committee member of the provincial CPC Committee, presided. Comrade Hu Hong, permanent secretary of the provincial CPC Committee, and Comrade Mao Duo, deputy head of the liaison group in Fujian of the Central Commission for Guiding Party rectification, attended and addressed the meeting.

In his speech, Comrade Hu Hong pointed out: It is extremely important to study documents. rectify party organizations and correct mistakes throughout the process of party rectification. Studying documents is the basis for party rectification, and rectifying party organization and correcting mistakes are a deepening of such study. It is necessary to thoroughly study party rectification documents, as well as the lines, principles, and policies laid down since the 3d Plenary Session of the 11th CPC Central Committee. Many comrades have not studied these documents well, nor have they effectively implemented them. Some comrades have not studied or implemented these documents at all.

Some other comrades, who are insensitive to experiences in carrying out reform and blazing new trails, have failed to study and sum up such experiences, thus making it impossible to bring about a new situation. Attention must be paid to eliminating factionalism and conducting education in party spirit. The "Cultural Revolution: must be completely negated. In light of the actual conditions in our own units and our state of mind, we must conscientiously malyze and eliminate factionalism, raise our understanding, strengthen our party spirit, and assuredly maintain political unity with the CPC Central Committee.

Comrade Hu Hong also pointed out: It is imperative to do a good job in rectifying party organizations and correcting mistakes. It is necessary to successfully solve questions concerning the guidelines for our work. In accordance with the decision on party rectification and the requirements set out in Circular No 7 of the Central Commission for Party Rectification, we must clear away the influence of "leftist" ideas in order to promote economic work.

Comrade Mao Duo pointed out in his speech: We have set things right in various fields of work since the 3d Plenary Session of the 11th CPC Central Committee. However, there are still many problems. It is still necessary to further eliminate the influence of "leftist" ideas. Some comrades regard socialist things as revisionist or capitalist. Therefore, the more thoroughly we eliminate "leftist" ideas, the more we can emancipate our minds. This is an important task in party rectification. Another task in party rectification is to purify the party organization, to sort out and expel the "three types of persons," and to eliminate factionalism. Factionalism, which was caused by the "Cultural Revolution," is incompatible with the nature of our party and the title of Communist Party member. In addition, problems concerning the party style, organization, discipline and democratic centralism all should be sorted out and solved. If these problems are not solved, it will be impossible to accomplish the tasks of party rectification. Party rectification should be carried out in coordination with economic construction. It is necessary to bring about a new situation in economic construction through party rectification and to examine results of party rectification by examing achievements in economic construction.

VICE MAYOR ON SHANGHAI COMPUTER INDUSTRY REFORM

HK101105 Beijing RENMIN RIBAO In Chinese 29 Jun 84 p 2

[Article by Liu Zhenyuan, vice mayor of Shanghai Municipality: "Shattering the Fetters of Old Ideology, Blazing a New Trail in Making Reforms"]

[Text] Editor's note: In the "Government Work Report" made at the Second Session of the Sixth NPC, Comrade Zhao Ziyang pointed out: "In our future economic work, it is necessary to grasp well the two important things -- reform of systems and opening to the outside world." In recent months, actuated by the reform in rural areas, the pace of the reform in cities has been quickened. This is in keeping with the wishes of the millions of people.

The reform in cities is much more complicated than that in rural areas. Nevertheless, reform has to be conducted, and without reform there would be no way out. The article of Comrade Liu Zhenyuan carried in this newspaper today touches upon many sensitive problems in the current reform in cities: old ideology, old conventions, and so on. In order to promote the development of the reform in cities, this newspaper is allotting a special column—titled "How to Speed Up the Pace of the Reform of Economic System in Cities" so as to promote discussions. It is hoped that the comrades engaged in the forefront of reform, the theoretical workers, and the cadres leading this work will actively take part in the discussions. [end editor's note]

Last year, the People's Government of Shanghai Municipality made the decision that I should take up the main responsibility of developing Shanghai's electronics technology. Recently, I have interviewed many persons in the relevant fields in Shanghai and studied some materials. I feel that Shanghai has many favorable conditions for developing the microelectronics industry, but because of the trammels of old ideology and of the system of departmental ownership as well as the incompatibility of certain economic policies, certain strong points have not been brought into full play, which hampers the exploitation and application of the new technologies such as microelectronics. Therefore, in order to speed up the pace of popularizing and applying microcomputers, it is necessary to shatter the fetters of the old ideology and the old systems and to blaze a new trail in making reforms.

1. In the Face of the New Technological Revolution, the Ideology of Some People Cannot Catch Up With the Situation for the Time Being

The Shanghai Railway Bureau is one of the units which make comparatively good use of computers, and its leaders have paid relatively great attention to this area. For the last few years, positive results have been achieved by their use of computers to formulate plans and to process data relating to transport. However, even in a unit like this, some problems worth pondering still occur. For example, in 1979, the Shanghai railway station used an electronic automatic ticket-selling machine for a pilot scheme in a bid to realize the automation of ticket selling. However, after 3 or 4 years had elapsed, when investigating the condition of the application of microcomputers, the department in charge discovered that this ticket-selling machine was not always used, but often lay idle. Upon further enquiry, it was reported that breakdowns often occurred in the course of using the computer and the results were not very satisfactory. However, the secret revealed itself upon further investigations. Because the computer exercised a "rigid control" over the selling of tickets, the "back door" of the train tickets was no longer open. The real cause of the incident was not the malfunction of the computer, but the obstruction of the "human brain."

Incidents of this type are not uncommon. During my visit I have often heard stories about obstructions of the popularization and application of computers by traditional and customary forces. Take another case for example. The electronics research institute for practical application under the Handicraft Bureau developed an electronic device which utilized a computer to control the design of umbrella covers. After tests, the results were very good. The device could not only work out the geometric curves of various shapes of umbrella covers, but also saved a lot of working hours and raised efficiency, thus solving "long-standing and difficult" problems in the umbrellamaking industry. However, this new technology was opposed by the pattern-making masters (who designed the umbrella covers manually) in the umbrella-making industry. Because "pattern-making" belongs to a comparatively higher technical grade, if it is replaced by computers, the designers will have nowhere to display their technical skills. Consequently, this computer device cannot be popularized. Certain cadres of some trades under the system of light industry expressed their view that even the existing staff and workers in the factories do not have sufficient work to do, and in that case, what is the use of acquiring electronic computers?

It can be seen from the above that in order to popularize the application of advanced technologies and do a good job in reforming the economic system in cities, it is necessary to solve first the problem of man's ideology and understanding.

2. The Exclusive System of Department Ownership Plus the Serious Lack of Coordination Between Units Is Another Outstanding Problem Affecting the Development and Application of Electronic Computers in Shanghai.

In regard to application, there are about 300 units employing microcomputers in Shanghai belonging separately to different systems of the State Economic Commission, the State Scientific and Technological Commission, and the higher education authorities. Each of them does things in its own way, and there is a lack of unified planning and coordination. Consequently, there is the phenomenon of being "full of brilliant stars in the sky" in appearance, but "nothing great has been achieved" in practice. And quite a few items are only repetitions at a low level.

Altogether there are 27 units in Shanghai directly engaged in the scientific research, production, and application and service of computers, being longitudinally under the jurisdiction of the Ministries of Education, Electronics, and Machinery, and latitudinally under the jurisdiction of the Bureaus of Meters, Higher Education, and Light Industry. Each unit has certain strength, but they cannot coordinate their efforts in action because they are administered by different "grannies" and they have different sources and channels in terms of capital and funds.

Regarding talent, the ranks of our personnel specialized in microelectronics are not large at all, but now they are scattered around different units without unified utilization, which makes it hard to open the door of circulation of talents. In the Shanghai semiconductor apparatus company, there are over 10,000 staff and workers but not a single senior engineer, which seriously affects the scientific research, production, and exploitation of the basic elements in electronics industry. However, in the Shanghai wired radio factory, there are only a little more than 3,000 staff and workers, but among them there are 16 senior engineers, some of them are professionals in electronics, and at present there is not enough work for them to do. Although the relevant departments have made great efforts in tackling this problem, not a single person has been transferred out of this factory up to the present.

Now, with respect to the exploitation and application of new technologies such as electronics, various quarters urgently demand a solution to the "scattered state." Many comrades have appealed to the Shanghai People's Government to take vigorous action to organize and unify the forces from different units of production, scientific research, and application so as to accelerate the speed of exploiting and popularizing the new technologies. Not long ago, a scientific and technological work conference was held in Shanghai. During the conference, the Municipal government held a special meeting attended by more than 200 responsible cadres, listened to various kinds of opinions, and discussed and studied some policies and measures that would promote the progress of scientific and technological work in Shanghai. However, it seems that some problems cannot be completely resolved by the local authorities alone, and it is necessary for the relevant departments of the state to resolve to unify and coordinate, as soon as possible, the forces, capital, and objectives to concentrate the scattered forces into a powerful force to effect a breakthrough at a higher level. Otherwise, a good chance of achieving great results may be bungled.

In the Course of Developing Electronic Computers, There Are Still Some Economic Policies Which Need To Be Changed as Soon as Possible. Otherwise, It Will Be Difficult To Change the Backward State of the Computer Industry of Our Country

The first thing is to change the policy on investment in research and development at a low level. The computer industry is a technology-intensive industry, and its products generally need to be upgraded to a new generation in 3 to 5 years' time. In order to enable the industry to develop rapidly, it is necessary to invest a substantial proportion of the funds in the research and development of products. Recently, a Japanese exporter expressed his view that in enterprises engaged in computer operations, in proportion to the total amount of turnover, the investment in research and development should at least amount to 3 percent so that the operation can continue at an acceptable speed; if the investment constitutes 5 percent, then it is possible to achieve a continuous development; and if the investment is lower than 3 percent, then it will be hard for the enterprise to continue its operation. In the computer industry in foreign countries, the annual investment in research and development constitutes between 5 and 15 percent of the total amount of turnover. However, in our country, there is no such policy enabling the enterprises to use a certain proportion of their sales volume as funds for research and development. From the data gathered by the relevant departments, it can be seen that in Shanghai only about 2 percent of the sales volume is used for investment in this area, and in recent years the investment has been even less than 1 percent.

The second thing is to change the policy of high prices, high profits, and monopoly of prices. The selling prices of the computers produced in our country are rather high. For example, a small computer produced by the Shanghai computer factory was sold for more than 400,000 yuan before 1978, 300 to 400 percent higher than the price in the international market at that time. In 1979, its price was reduced to 160,000 yuan. At present, it is sold at 70,000 yuan, which is still 100 percent higher than the price in the international market. The industrial departments of Shanghai have worked out these figures: A jig milling machine is priced at 60,000 yuan; if a microcomputer is attached to it, the total amount will reach 400,000 yuan, which is beyong the purchasing power of most of the enterprises. If a factory intends to set up a management system or a control system, or an inspection and testing system, it has to spend at least more than 200,000 yuan, and a computer control center will cost about 1 million yuan. Hence, the enterprises can only "lament their own incapability before the computers."

The third thing is to change the policy requiring computer enterprises to hand over all their payment of taxes and profits to the state. At present, the state has invested very little money in computer factories, but the enterprises have to deliver all their payment of taxes and profits to the state, resulting in the inability of the enterprises to effect self-regeneration. In the last 5 years, several factories which only produce computers in Shanghai have delivered more than 100 million yuan to the state, which amounts to more than 500 percent of the original value of fixed assets of these units. But in the same period, the investment given by the state to these enterprises amounts to only 7 million yuan. In some factories the equipment is old and the technology has become outmoded, and in some factories production is even carried out by manual operation. Therefore, the state should adopt a policy of support toward the domestic computer industry, increase investment, and reduce or exempt the taxes.

The above is only my immature opinion, and there could be something incomplete or inappropriate. And I welcome any comments or corrections from the comrades concerned.

LIN RUO URGES RECTIFICATION IN GUANGDONG

HK101509 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 9 Jul 84

[Text] This morning, the party rectification guidance group of the Guangdong Provincial CPC Committee held a mobilization meeting of the first group of units at the provincial level which is carrying out party rectification, to study and implement Circular No 9 of the Central Commission for Guiding Party Rectification. Lin Ruo, secretary of the provincial CPC Committee and head of the party rectification guidance group of the provincial CPC Committee, delivered a mobilization speech.

Lin Ruo said: Circular No 9 of the Central Commission for Guiding Party Rectification demands that the units which have basically completed comparison and examination must spend 3 months on carrying out rectification and correction of defects. This is an important measure for guaranteeing that party rectification is not carried out perfunctorily and superficially.

Lin Ruo said: Circular No 9 of the Central Commission for Guiding Party Rectification puts forward that in the stage of rectification and correction of defects, it is necessary to lay stress on grasping the four aspects of work well. We must completely accomplish them. We must especially grasp well further correcting guiding ideology in work. Proceeding from the realities of our province, we must do a good job in reform and in being open to the outside world. If the work is within the sphere of our duties, we can first do what is correct and report afterwards. Except for economic departments, other departments such as political, cultural, and organizational departments, also have a duty to carry out reform.

Lin Ruo said: To do well in rectification and correction of defects, it is also essential to further eliminate factionalism and to strengthen party spirit. Proceeding from realities, all units must conduct education in many forms in thoroughly negating the Great Cultural Revolution, must strictly observe the party's political discipline, and must penetratingly investigate and handle the problems of causing serious economic and political losses to the state, of serious bureaucratism, and of taking advantage of powers to seek personal gain. We must solve the serious problems in the leadership groups. We must resolutely readjust what does not completely meet the needs of the four modernizations. We must also vigorously look for and select persons for the third echelon.

GUANGXI FORMULATES NEW PRICE CONTROL METHODS

HK100648 Nanning Guangxi Regional Service in Mandarin 1130 GMT 6 Jul 84

[Excerpts] The regional Price Control Bureau recently formulated new price control methods to meet the economic reform. The main points of the new price control methods are as follows:

Prices of farm and sideline products should depend upon their categories. In the first and second categories of farm and sideline products, the purchase of which is monopolized or assigned by the state, it is necessary to strictly adhere to the sale and purchase prices stipulated by the state. In some commodities whose supply and demand change frequently and in some fresh commodities, to a certain extent it is necessary to adopt floating prices. For those first and second categories of farm and sideline products that can be offered for on sale after the assigned purchase plan of the state is fulfilled, and for the third category of products, it is permissible for enterprises to purchase and sell such products at negotiated prices that should be slightly lower than market prices.

For the third category of farm and sideline products and the second category of industrial raw materials [words indistinct], the price control bureaus of those relevant counties may negotiate with responsible departments in charge of industrial and commercial business to set prices according to the principle of taking into account the interests of various sectors.

Controls on the prices of the products of the urban and rural collective economy, including the rural industrial and commercial enterprises and the handicraft industry, should be relaxed. Except for those first and second categories of products in which production is arranged under the state plan, raw materials and fuel are supplied by the state, and which must adhere to the prices stipulated by the state, the prices of other products can be set by the enterprises themselves or by industrial and commercial departments after negotiations.

Controls on the prices of heavy industrial products should be reasonably relaxed according to the requirements of expanding commodity production. For those products that are produced and distributed according to the state plan, it is necessary to adopt the prices stipulated by the state. For those products that suffer losses as a result of adopting the stipulated prices, it is necessary to set temporary local prices according to relevant stipulations. For those products that state-run enterprises market according to relevant stipulations, and for iron, steel, coal, cement, and other means of production in excess of the state plan, their prices can be set within a range of 20 percent higher or lower than the stipulated prices. For those products that are manufactured with raw materials bought at negotiated prices, their marketing and sale should be conducted at negotiated prices upon approval. It is necessary to expand the scope of floating prices in mechanical and electronic products.

Controls on the prices of industrial products for daily use should be relaxed. It is generally necessary to adopt the prices stipulated by the state in the first and second category of products. For those products that win the national gold and silver prizes and the regional fine quality prizes, it is permissible for enterprises to increase their prices by 5 to 15 percent. For those poor and inferior products, accordingly detrimental prices should be set.

HUBEI'S WANG QUANGUO ON PARTY RECTIFICATION WORK

HK100357 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 8 Jul 84

[Text] Yesterday afternoon, the provincial CPC Committee held a symposium on party rectification work in organs at the provincial level. In his speech, Wang Quanguo, deputy secretary of the provincial CPC Committee, affirmed the experiences of units, including the provincial Communications Department, in party rectification; he also made arrangements for current party rectification work and for doing a good job in rectification and correction of defects within a specified period of time.

Comrade Wang Quanguo said: The first batch of units which carry out party rectification must mainly and seriously do a good job in comparison and examination and must strive to complete their collective and individual comparison and examination before 25 July. The second batch of units which carry out party rectification must seriously complete careful study of documents, must conduct simultaneous study and discussion, must place the elimination of leftist influence and the correction of guiding ideology in work above everything else, must firmly grasp the main problems of their own units, and must complete the first stage before the end of July.

He said: Comparison and examination is the crucial stage of party rectification. We must set high standards and strict demands. We must first do well in collective comparison and examination. We must begin with the elimination of leftist influence, firmly grasp the main problems, and, in the aspects of party style, party discipline, and leadership groups' guiding ideology, democratic centralism, ans work style, examine the existing problems in implementing the line, principles, and policies of the 3d Plenary Session of the 12th CPC Central Committee. We must seriously analyze the reasons for these problems, must sem up experiences and lessons, and must formulate measures for rectification and correction of defects. After collective examination, in accordance with the requirements of the party constitution and with the provisions of the guiding principles, every party member must make full and good preparations and seriously examine the existing problems in the aspects of implementing the line, principles, and policies of the party; party spirit; ideology; work style; and discipline.

Comrade Wang Quanguo emphatically pointed out: The first and second batches of units which carry out party rectification, must really grasp well simultaneous rectification and correction of defects. He said: We must by no means regard the correction of unhealthy trends as a minor matter. We must also not set the correction of unhealthy trends against the grasping of reform. We must continue to eliminate leftism and complacency, further correct guiding ideology in our work, grasp reform well, and resolutely correct three kinds of unhealthy trends -- taking advantage of power to seek personal gain, bureaucratism, and showing off power and prestige. At the same time, in connection with the realities of Hubei, we must conduct penetrating education in thoroughly negating the Great Cultural Revolution for the party members. We must really eliminate factionalism and must strengthen party spirit.

In conclusion, while dealing with the implementation of Circular No 9 of the Central Commission for Guiding Party Rectification, Comrade Wang Quanguo said: This is an important measure for guaranteeing that party rectification is not carried out perfunctorily and superficially. In accordance with the problems in four aspects that Circular No 9 of the Central Commission for Guiding Party Rectification puts forward and in connection with the actual situation of our province, the provincial CPC Committee is prepared to formulate a specific program for rectification and correction of defects. In connection with rectification and correction of defects, all units must solve the main problems which should be grasped in rectification and correction of defects and must make good and necessary preparations for vigorously grasping rectification and correction of defects.

GUIZHOU PROCURATORATE MEETS ON ECONOMIC CRIME

HK100757 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 9 Jul 84

[Text] The People's Procuratorate of Guizhou Province held in Dafang County, from 1 to 5 July, an on-the-spot meeting to exchange experience in cracking down on criminal activities in the economic field.

Adhering to the guidance laid down by the 12th CPC National Congress and the important strategic decision adopted by the CPC Central Committee on dealing severe blows at serious economic offenses, the meeting conscientiously summed up and exchanged experience and drew up a plan of work for the next stage.

The participants in the meeting pointed out that the procuratorial organs at all levels in the province had done a great deal of meticulous work under the leadership of their own CPC committees and their respective superior procuratorates since 1982, when the drive of dealing severe blows at serious economic offenses was launched in the province. In handling economic criminal cases of various natures, the procuratorial organs at all levels in the province had cracked down on a number of major criminal elements in economic circles and had thereby recovered losses with a value of more than 6.5 million yuan for the state and educated the broad masses of cadres and people.

The meeting required the procuratorial departments at all levels in the province to strengthen leadership at the next stage of economic examination, solve the shortage of investigatory and operations staffs, step up the handling of major and serious cases, continue to strive for breakthroughs, and simultaneously deal blows at economic offenses and criminal offenses, so as to do their share and make a new breakthrough in the latter half of the year in cracking down on economic offenses.

GUIZHOU RADIO COMMENTS ON ECONOMIC CRIME

HK100758 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 9 Jul 84

[Text] A Guizhou station short commentary entitled "We Can Never Slacken Our Efforts To Crack Down on Economic Criminal Activities" points out: The province has achieved great success in dealing blows at serious criminal activities in the economic field in the last 2 years or more. However, our party and government leading organizations, and particularly our operational departments at all levels, can never slacken their efforts in this work, despite the achievements they have made. They should instead carry the struggle through to the end without letup.

The short commentary says: Practice has shown that indulgence toward economic offenders will certainly entail untold troubles. In cracking down on criminal activities in the economic field, CPC committees at all levels should follow the example of the Dafang County CPC Committee, fighting economic offenders without letup so that criminals cannot protect themselves.

The short commentary emphasizes: In cracking down on criminal activities in the economic field, it is necessary to strictly carry out the party's policy, to eliminate the influence of leftist ideology, and to strike surely, accurately, and relentlessly at economic offenders, while upholding the policy of opening the door to the outside world and enlivening the economy at home, with the legitimate rights of the two households and the economic combination properly protected.

YUNNAN ISSUES NATIONAL ECONOMIC PLAN CIRCULAR

HK100518 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 7 Jul 84

[Text] On 6 July, the Yunnan Provincial CPC Committee and the Yunnan Provincial People's Government issued a circular on printing and issuing Yunnan Province's draft long-term plan on the national economy and social development to all prefectural, autonomous prefectural, city, and county CPC committees; commissioner's offices; autonomous prefectural, city, and county people's governments; departments and committees of the provincial CPC Committee; and all departments of state organs at the provincial level.

The circular says: Since the 12th National CPC Congress, discussion of the problems, centered on the problem of what Yunnan will do when the annual gross industrial and agricultural output value throughout the country is quadrupled, has been universally and seriously conducted throughout the province and many valuable views and suggestions have been put forward. After they were collected and studied by the provincial long-term planning group, the provincial CPC Committee and the provincial government conducted many discussions and revisions and formulated Yunnan's draft long-term plan on the national economy and social development.

The provincial CPC Committee and the provincial government held: This draft plan basically reflects Yunnan's characteristics and is relatively suitable to our province's realities. After further discussion and revision by all prefectures and departments, it will possibly become a realtively good development plan.

The circular demands: All places and departments must implement the following two aspects of work seriously and well:

- 1. It is necessary to organize cadres at all levels, experts, and scholars to discuss this draft plan so that they will put forward specific views on revisions. These views must be reported to us before the end of August.
- 2. On the basis of the requirements of this draft plan, proceeding from the realities of our own prefectures, autonomous prefectures, cities, and counties, and adhering to the spirit of relying on our own efforts, working hard, fostering the strong points, circumventing the weak points, and choosing and developing what is good, we must work out our long-term plans.

Through discussions of the province's plan, all committees, offices, departments, and bureaus at the provincial level must further revise and perfect the plans for all trades and professions. The prefectures, autonomous prefectures, and cities, and all departments at the provincial level must endeavor to report their plans for all trades and professions to us before the end of this year.

In conclusion, the circular of the provincial CPC Committee and the provincial government says: At present, the first batch of units in our province is carrying out party rectification and is studying documents on party rectification. All aspects of work and related tasks are very arduous. In accordance with the spirit of Comrade Hu Yaobang's recent instruction that party rectification promote the economy and the economy judge party rectification, all prefectures and departments must seriously make unified arrangements, grasp well both party rectification and economic work, and ensure that neither party rectification nor economic work suffers.

YUNNAN FORUM ON CASES LEFT OVER FROM HISTORY

HK101425 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 9 Jul 84

[Text] According to a YUNNAN RIBAO report, the Organization Department of the provincial CPC Committee recently held a forum, which was attended by the responsible comrades of the organization departments and the relevant departments of the prefectural, autonomous prefectural, and city CPC committees, to discuss how to implement the policies well from start to finish and to solve the problems of the underground party and border column in Yunnan, which were left over from history.

Since the 3d Plenary Session of the 11th CPC Central Committee, the provincial CPC Committee has attached great importance to the solution of the problems of the underground party and border column in Yunnan, which were left over from history. From April 1982 to May 1984, the number of wrong cases in connection with the members of the underground party and border column which had been reexamined throughout the province accounted for 76.6 percent of the total cases which should be reexamined. A large number of unjust, false, and wrong cases had been redressed and great achievements had been attained. However, the various localities relaxed their leadership over this work for a time, with the result that some of the work still remained unfinished.

In order to solve the problems left over from history in a satisfactory may, the provincial CPC Committee instructed the Organization Department to hold this i grum. In the course of the meeting, the participants studied the important written instructions of the central leading comrades on implementing the policy toward the underground party, and exchanged the experiences of some localities, such as Dali and Shizong, as well as some units, thus further raising their consciousness and heightening their sense of responsibility and urgency. Whether in party building, clandestine work, democratic movement, armed struggle, united front, or work toward minority nationalities and the enemy, the underground party and border column in Yunnan attained remarkable historical achievements and made contributions to the liberation of Yunnan. For this reason, it is necessary to quicken the pace of solving the problems left over from history and restore the historical truth about the underground party and border column in order to strengthen the unity within the party in Yunnan and the unity among the people of various nationalities, arouse the initiative of cadres and masses, and speed up the four modernizations drive in our province.

The meeting called on the CPC committees at all levels to view the implementation of the policy toward the underground party and border column as an important task, strengthen leadership earnestly, and transfer cadres to strengthen the administrative bodies and take special charge of this work. In the course of this work, it is necessary to eliminate continuously the adverse influence of leftist ideas, implement the policies correctly, and uphold the historical materialist viewpoint and the principle of seeking truth from facts. The comrades from a few localities indicated that they will strive to basically complete the task by 1 October, the National Day, so that some comrades who are still being wronged can cheerfully participate in the activities to celebrate the 35th anniversary of the founding of the PRC with all of us and jointly open up a new situation in the four modernizations drive with the people throughout the province in a cheerful frame of mind.

BEIJING RIBAO ON 'PEOPLE OF THREE CATEGORIES'

HK101108 Beijing BEIJING RIBAO in Chinese 4 Jul 84 p 1

[Report by Shi Hongdao: "Beijing Municipal CPC Committee Secretary Li Ximing Addresses Municipal CPC Committee Meeting on Ferreting Out 'People of Three Categories'"]

[Text] At a work meeting on ferreting out "people of three categories" held by the Beijing Municipal CPC Committee yesterday, Li Ximing, secretary of the Beijing Municipal CPC Committee, stressed that total negation of the "Great Cultural Revolution" is a prerequisite to the proper handling of the business of ferreting out the "people of three categories" and provides an ideological foundation for that matter. Without totally negating the "Great Cultural Revolution," we cannot have a correct yardstick with which to distinguish between right and wrong and we cannot detect the "people of three categories." We may even end up appointing "people of three categories" as successors. He called upon the party members of the whole municipality to strengthen the study effort, to unify thinking in the problem of the total negation of the "Great Cultural Revolution," and to remove obstacles to the proper handling of the business of ferreting out "people of three categories," where ideological awareness is concerned.

The municipal work meeting on ferreting out "people of three categories" was held 30 June, 3 July. At the meeting, Lu Yu, member of the Standing Committee of the municipal Advisory Committee, delivered a work report on weeding out "people of three categories" throughout the municipality. The report summed up the progress of municipal investigative work at an earlier stage. On the whole, the municipal effort to weed out "people of three categories" has shown new progress and has proceeded in a healthy down-to-earth manner. A wealth of valuable experience has been accumulated. In an analysis of what stands in the way of the investigative work, the report pointed out that quite a large number of cadres, not having totally negated the "Great Cultural Revolution" ideologically, still have some vague ideas about things, where aware ness is concerned. Some people involved with the problems have also managed to defend their own wrong acts during the "Cultural Revolution" and wave even put up stiff resistance. This chiefly explains what obstructs ferreting out the "people of three categories."

The report called on various units to properly carry out propaganda and education work on the total negation of the "Great Cultural Revolution" ideologically and theoretically. The aim is to remove various ideological obstacles to investigative work and change the thinking of those people who made mistakes during the "Cultural Revolution."

Referring to tasks ahead, the report pointed out that for some time to come, investigative work must be deepened on the basis of achievements already attained, in order to quicken the pace of municipal investigative work. We must seriously do a good job of completing the investigation of the first group of units involved with party rectification, we must energetically promote the development of general investigative work.

The report urged leadership cadres at all levels to fully realize the threat of "people of three categories" to the party, and to fully realize that the matter of weeding out "people of three categories" concerns major plans related to the party's cause and is also a matter which calls for immediate attention and which brooks not that least neglect or the least hesitation. To seriously carry out the CPC Central Committee's guideline of "being both firm and prudent" in weeding out "people of three categories," we must not let one of these people escape. Nor must we seek to magnify things. We must continuously and repeatedly discuss this guideline of the CPC Central Committee, so that it can be instilled in everyone.

In a summing-up speech at the meeting, Comrade Li Ximing also pointed out that in weeding out "people of three categories," we must at present concentrate on weeding out such people within the party and pay particular attention to weeding out those in the leading groups at various levels and in important departments and those that can easily worm their way into the third echelon. Those who have already worked their way in must be resolutely eliminated. He said that we must realistically do a good job of investigation and verification, uphold the principle of seeking truth from facts, let none of the "people of three categories" escape, and no good people be framed. Concerning wrong facts about those people who made mistakes, we must seriously make investigations to verify things and try to get at the truth by finding thigs out accurately. We must carry out the CPC Central Committee's guideline of weeding out "people of three categories" in a resolute and overall manner. On the basis of sorting out facts, we must be ready at all times to forgive those people who have made mistakes of a general nature.

In conclusion, Li Ximing stressed that the key to proper handling of weeding out "people of three categories" is leadership. The municipal CPC Committee called on the party committees or party groups of various districts, counties, bureaus, parent companies, universities, and institutes of higher learning to put the weeding out of "people of three categories" on the agenda 2. an important item. They must have a clear-cutidea of the responsibility system and insist on responsibility being assigned at every level and on one level controlling another. Those leadership cadres who have committed the act of shielding "people of three categories" must be solemnly dealt with, once discovered.

The meeting made concrete arrangements for the work of ferreting out "people of three categories" in units which are involved with party rectification, or which will be so involved. Wang Jialiu and Jin Jian, members of the Beijing Municipal CPC Committee Standing Committee, attended the meeting. The Beijing Mining Affairs Bureau, the Beijing Industrial College, the Fengtai District CPC Committee, the Beijing Railroad Branch, and the Beijing University recounted at the meeting their experiences in properly handling investigative work.

HEBEI RADIO ON ANTI-INTELLECTUAL LEFTISM

HK110303 Shijiazhuang Hebei Provincial Service in Mandarin 0430 GMT 1 Jul 84

[Contributing commentator's article: "The Focus on Overcoming the Obstacles Is on Criticizing Leftism"]

[Text] At present, under the spur of party rectification, the party organizations in our province are taking new strides in implementing the policies on intellectuals and in making it easier for outstanding intellectuals to join the party. Many facts tell us that to solve this difficulty well, it is necessary to break down obstacles and thoroughly criticize leftism.

The reason it is difficult for outstanding intellectuals to join the party in certain places and units is that leftist ideology has not yet been eliminated. Its main expressions are as follows:

- 1. Intellectuals are not trusted politically. They are not regarded as a part of the working class but as outsiders and even as targets for remolding.
- The theory of the unique importance of class origin has an effect. Instead of focusing on current behavior, certain people still make a great issue of intellectuals' family backgrounds and social relations.
- There is prejudice. Assiduous study and hard work are regarded as burying one's head in professional matters and not bothering about politics.

Boldness and daring in carrying out reform is regarded as seeking the limelight and showing off. Boldness in speaking bluntly is regarded as arrogance and boasting and refusal to obey the leadership.

- 4. Perfection is demanded of the intellectuals. Some people focus on side issues and trifles instead of the main current.
- 5. There is envy and jealousy toward talented and clever people, and fear that they are better than oneself.
- 6. The remnants of factionalism still exist. Some people form small circles of acquaintances and build the party for their own interests.
- 7. Some people with lingering fear are worried that in the future their recruiting of intellectuals into the party will be condemmed.

All these are signs that leftist ideological influence has not been eliminated and that the Great Cultural Revolution has not been totally negated ideologically. To solve the difficulty of outstanding intellectuals in joining the party, it is therefore imperative to thoroughly eliminate leftism. The key to this is to eliminate leftist influence in the leadership groups, especially their heads and deputies.

The elimination of leftism must be done in conjunction with reality. We must understand the harmfulness and the root of leftism from the persepctive of a world-outlook. Otherwise, the problem cannot be fundamentally solved.

HEBEI MAKES PROGRESS IN RECRUITING INTELLECTUALS

HK110258 Shijiazhuang Hebei Provincial Service in Mandarin 0430 GMT 1 Jul 84

[Excerpt] Party organizations at all levels in Hebei have taken effective action this year to make it easier for intellectuals to join the party. According to initial statistics from 18 prefectures and cities, 5,140 outstanding intellectuals were recruited into the party in the first half of the year. Over one-third of them are medium-grade and senior intellectuals.

The provincial CPC Committee has regarded making it easier for intellectuals to join the party as a major part of party rectification and reform. The committee has transferred 78 people into 22 groups to investigate the difficulty for intellectuals to join the party, in conjunction with checking on the implementation of the policies on intellectuals in the refectures, cities, and grassroots units. The provincial CPC Committee Organization Department has convened a forum and report meeting of directors of prefermental and city CPC committee organization departments and a forum of 20 intellectuals of Shijiazhuang universities and provincial research and other units, to directly listen to the views of the intellectuals. The department has also sent people down to the lower levels to investigate, study, and grasp typical examples of intellectuals' difficulties in joining the party. Seven such examples have been grasped, and these have been reported to the whole province.

In accordance with Comrade Gao Yang's demand that anyone who blocks the entry of outstanding intellectuals into the party is to be resolutely removed from bis leadership post, the party organizations at all levels have a tight grasp of this key in educating and readjusting the leadership groups. They have overcome all kinds of obstacles erected by certain leaders and have fundamentally solved the problem of it being difficult for intellectuals to join the party.

HEBEI RIBAO ON CADRE DISCIPLINE, EFFICIENCY

HK100408 Shijiazhuang HEBEI RIBAO in Chinese 27 Jun 84 p 1

[Article by Gao Yang: "Set Strict Demands on Cadres and Rapidly Enhance the Efficiency of Party and Government Work of the Entire Country" -- previous issues of HEBEI RIBAO did not publish parts 1 or 2 of Gao's speech]

[Text] Editor's note: The article entitled "Set Strict Demands on Cadres and Rapidly Enhance the Efficiency of Party and Government Work of the Entire County" published here is Part 3 of Comrade Gao Yang's speech made at the conference of county CPC committee secretaries held by the Baoding Prefectural CPC Committee on 23 May. More than a month has passed and some units have attached great importance, carried out earnest discussions, formulated effective measures, and achieved practical results. However, some units have not yet drawn attention to this respect. Their work efficiency is low and they are lax in organizational discipline, dilatory in doing things, and careless in work, as usual. This is impermissible. The purpose of publishing the full text of Part 3 of Comrade Gao Yang's speech is to remind the leading cadres and organs at all levels to focus their attention, put forward measures for improvement in connection with their actual circumstances, and promptly put these measures into practice. [end editor's note]

The ranks of our cadres are now in better order than the past after undergoing ideological and organizational consolidation in recent years. However, the phenomena of lax discipline, irresponsibility in work, and dilatoriness in doing things still are quite common. I suggest that in the next month or two all countries carry out discussions on the question "how efficient is party and government work throughout the county." The problem of work efficiency includes holding meetings, issuing documents, running errands, conducting investigations, and so on. It is necessary to carry out a general inspection to examine the quality of documents, the contents of meetings, the speed of receiving and issuing documents, and the efficiency of all kinds of work. The fine examples must be praised, the bad ones criticized, and the worse punished. We should strive to gradually enable our leading work style to be vigorous and effective and to enable all the cadres to "strictly enforce orders and prohibitions." In other words, "strict enforcement of orders and prohibitions" means that you should do the things as you are ordered and you should not dare to do things you are not ordered to do. Now there are very few people who dare resist. They do things as ordered but not seriously. If you say they have carried out orders, actually they have not fully executed them; if you say they have not carried out the orders, they have executed them a little. This will not do.

From now on I hope that all counties will hold fewer and shorter documents, and lay stress on the contents. Although the provincial authorities have worked out eight regulations, they have been inadquately implemented by the departments directly under the provincial authorities and various localities. Apart from being illogical and ungrammatical, there are some reports which are full of empty words and are copied from each other. Why can we not correct these practices?

I hope that in doing things we should not only do them well from beginning to end but also should stress effectiveness. Things which can be done in one day must not be delayed to the second day. Things that can be accomplished within 3 days must not be delayed to the fourth.

I hope that you will speak and run affairs accurately and not act on assumptions or believe that a rain will follow when you hear the wind. In delivering speeches, one must be clear-cut and not careless, one must draw a clear line of distinction between right and wrong, and one must not shift responsibility from one person to another.

Some comrades are used to stereotyped and ambiguous speaking. Such a style of speaking must not be allowed to continue any longer.

In handling matters, we should stress tackling tough problems and should be conscientious and meticulous. Those who become weak in face of tough tasks and opponents are not worthy to be called good cadres, good party members, or true men as they were called in the old society. We communists are not spineless creatures! There are some cadres who are weak and have no vigor. They are afraid of tough tasks and people. The county CPC committee secretaries and magistrates are the heads of the counties, yet there were some who feared the rebel ringleaders and the people who harassed them with unreasonable demands last year. Is this not strange?

Lastly, I hope that leading cadres at various levels will set examples and play exemplary roles in the struggles to transform their work style and to raise work efficiency. In my opinion, whoever retreats in the struggle should at least have a rest. This is because we are not escorting a touring party or visiting a park but leading our troops to fight the battle of building the four modernizations. It is impossible for lazybones and cowards to lead our troops and fight battles. They will disband and ruin our troops. We should neither disband nor ruin our troops. In the past few years our troops were loosely organized. When I first came to Hebei, some cadres did not have a clear understanding of the following: What is the purpose of our troops? Do our troops have combat effectiveness? Are they loosely organized? And how should we properly lead our troops? In my opinion, some comrades still have confused ideas. Thus it is necessary to remind them to clarify their understanding.

GANSU GROUP HOLDS MEETING ON ENTERPRISE REFORM

HK101229 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 9 Jul 84

[Text] This morning the provincial structural reform leadership group held an on-thespot metting in the Lanzhou steel plant. The meeting was on reform in industrial and communications enterprises. At the meeting, Governor Chen Guangvi demanded that all industrial and communications enterprises throughout the province seriously learn from the spirit of the Lanzhou steel plant to carry out all-round reform and seriously solve the crucial problems of enterprises so as to facilitate reform work. He said it is necessary to create a new situation in our province's structural reform.

At the meeting, (Zhang Wuluo), director of the Lanzhou steel plant, introduced the plant's programs for reform of the leadership system, the personnel system, the allocation system, and for the establishment of organs, management, and administration. After Governor Chen Guangyi summarized the experiences of Lanzhou steel plant in allround reform, he pointed out that Lanzhou steel plant dared to solve the crucial problems concerning reform of the system of cadres. This resulted in promoting reform of other aspects of work. Lanzhou steel plant's reforms can serve as a typical example and guidance for large and medium-sized enterprises in our province. In the light of their own realities, industrial and communications enterprises at all levels in our province must take firm hold of their crucial problems to carry out all-round reform.

Governor Chen Guangyi pointed out that in reform we must lay stress on raising economic results must handle well the interests of the state, collective, and individuals; and must arouse workers' enthusiasm for production to increase the results of enterprises and enhance technological reform. Our attitudes must be positive, our steps must be quickened, and our method must be scientific.

In dealing with how to speed up our province's structural reform, Governor Chen Guangyi said: Reform work is not carried out evenly in our province. Some departments so far have had the idea of waiting and relying [on upper levels]. They have only paid lip service and held meetings. Some departments have not solved crucial problems which have a bearing on the enterprises. They have only taken into account their own interests. We must learn from the spirit of the Lanzhou steel plant to carry out reform, further eliminate leftist ideological influence, strengthen leadership over reform work, and perfect and carry out all measures for reform so as to use the experiences of the experimental units of all departments and affiliated organizations to promote reform work and to create a new situation in our province's reform work.

GANSU COOPERATION WITH FOREIGN FIRMS TOPED

OW110648 Beijing XINHUA in English 0635 GMT 11 Jul 84

[Text] Beijing, July 11 (XINHUA) -- Gansu Province, following Ningxia's example, has decided to open its rich resources to the outside world. At a conference here Tuesday, Gansu's Vice-Governor Hou Zhongbin announced 60 projects for economic cooperation to foreign businessmen and representatives of domestic economic organizations. These projects include energy, communications, building materials, metallurgy, chemicals, pharmaceuticals, machine building, electronics, textiles, light industry and animal husbandry.

In energy for instance, a coal mine will be opened at Huating covering 118 square kilometers with proved reserves of 3,300 million tons. A total investment of 2,200 million yuan is required for the project. Upon completion, the coal mine will be able to produce 14 million tons of coal annually, some for export.

Gansu needs funds, technology, equipment and management methods but can provide sites, labor, resources and energy. Cooperation in various forms will be welcome, the vice-governor said.

Gansu is on the upper reaches of the Yellow River in northwest China. It is large and has abundant resources. It has 64 mineral ores, of which nickel and platinum reserves being the largest in the country. Its copper, cobalt, chromium, lead and zinc are also important. Besides, it is also rich in limestone, marble and gypsum for building.

GANSU RADIO URGES PEASANT MINING OF MINERALS

HK101409 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 9 Jul 84

[Station commentary: "Allow Some of the Masses To Get Rich in the Course of Exploiting Resources."]

[Text] Our province abounds in mineral resources. At present, through prospecting, our province has discovered 64 kinds of mineral products. Of them, the deposits of 23 kinds rank higher than fifth place in the whole country and 16 kinds can now be extracted. Exploiting these rich resources is an important way to allow peasants to get rich as soon as possible. However, our province now has many poor places. The reason is that there are very few ways to get rich and restrictions are too rigid. Two kinds of ideas also hinder the exploitation of resources. One is that people equate the masses running mines with the sabotage of resources. The other is that exploitation will not be carried out until processing work develops. As a result, rich resources lie idle under the ground.

In fact, the masses running mines cannot be equated with the sabotage of resources. We do not have the power to restrict the masses from running mines under the pretext of the sabotage of resources. We have the obligation to provide technological guidance and to help the masses engage in mineral production. The exploitation of resources and processing work can be simultaneously carried out. However, the foundations for the processing industry in our province are poor and the technological level is low. [words indistinct] We must first exploit resources so that they can serve the four modernizations and the masses can profit from this. This is really a good thing. Therefore, through investigation, study, and relaxing policies, we must eliminate leftist ideological influence and help the masses exploit mineral products. We must encourage local peasants to engage in exploitation and must encourage peasants from other places to engage in exploitation in our province. We must vigorously import foreign capital to exploit resources. We must ensure that all large, medium, and small mines develop simultaneously and that the state, collective, and individuals simultaneously engage in exploitation so that some of the masses can get rich in the course of the exploitation of resources.

DENG'S COMMENTS ON REUNIFICATION ASSESSED

OWO60555 Taipei International Service in English 0100 GMT 5 Jul 84

[Station commentary]

[Text] Peking's HSINHUA NEWS AGENCY has published the contents of Teng Hsiaoping's remarks when he received two groups of representatives from Hong Kong in late June. He said nothing new but his remarks revealed he was lying about Peking's intentions about Hong Kong and Taiwan. Teng reaffirmed Peking's policy of "one country, two systems." Referring to Hong Kong's confidence crisis he said: "Some people are wondering whether our policy will change. My answer is negative. The key question is whether this policy is correct. If it is correct, it cannot change; if not, it may be changed."

So, Teng was asking the people of Hong Kong to have faith in his promise, even though it is a tricky promise. For the present, the "one country, two systems" policy is correct, because it has not become a reality yet. When Peking decides to renege on its pledge, it can easily do so under the pretext that the policy is wrong in this case. That's no mere speculation; the political track of the Peking regime has been a record of changes. What's right today will be wrong tomorrow, and what will be right tommorow may be condemnable today. Teng's own policy has been swinging back and forth since he came back from the cowshed in the wake of Mao Tsetung's death.

Teng offered the same "one country, two systems" formula to the Republic of China. Elaborating on the points, he asked rhetorically: "Will socialism absorb Teiwan or the Three Principles of the People absorb the mainland?" Deng replied to his own question, saying: "Neither side will absorb the other." However, he added threateningly: "If a peaceful solution is unattainable, force would have to be used to recover Taiwan. In that case, it would be harmful to all sides concerned."

It has to be pointed out that Taipei issued a call for reunification of China under a democratic system, not for the purpose of absorbing the mainland, but due to the simple fact that Taiwan has become prosperous under democratic government, whereas the socialist system on the mainland has been a total failure. As to Peking's reasonableness in offering to treat the government in Taipei as an equal, it is nothing but a smokescreen. Red China's term is that the Free Chinese in Taiwan must first acknowledge the Peking regime as the sole government of China. If Taipei accepts such a term, all the promises of generous treatment from Peking would become meaningless because they would be no longer in a position to oppose whatever the Communists might do to them.

Teng is aware that Free China cannot be fooled. That's why he hinted at the use of force. The threat has become ominous recently. This was revealed in Peking's barrage accusing the Republic of China's garrison on Kinmen and Matsu of shelling a Japanese freighter, a junk, and a raft. Obviously, the Chinese Communists are out to convince the world that Free China is trigger happy so that they will succeed in pressuring the United States into stopping arms sales to Taipei so as to pave the way for military invasion of Taiwan.

COMMENTARY DISAPPROVES U.S. ARMS TO PRC

OW070259 Taipei International Service in English 0100 GMT 6 Jul 84

[Station commentary]

[Text] Why should the United States agree to provide arms for the Chinese Communists? The presumption is that in case of war between the United States and the Soviet Union, Red China will come to the assistance of the Americans. But Peking has never agreed to do so. Wouldn't it be more likely for the Chinese Communists to play their own game, probably taking advantage of the opportunity to make a grab for Taiwan?

Comparing the strength of the Chinese and Russian Communists, it is generally agreed that it will cost many billions of dollars to raise Peking to the level of a match for Moscow. Some estimates have run to \$50 billion or more. What the Red Chinese have are human hordes, I billion people, but judging from the conflict between Communist China and Vietnam, that is not nearly enough. There is also a strong danger that a well-armed Red China would turn its arms against the Republic of China and other Asian countries, rather than the Soviet Union. In that case, the United States would have to make a choice. Washington has said it is concerned about the safety of Taiwan. In other words, the weapons supplied by the United States to Red China will be used against it.

Weapons for Peking would also constitute a contradiction. The Taiwan Relations Act, passed by the Congress and signed by the President, pledges the supply of defensive arms for the people of Taiwan against an attacker. Such weapons are already going to the Republic of China under the law of the United States. Washington is not similarly obligated to provide arms for the Chinese Communists, so in a sense, the United States would be giving the Red Chinese the armaments to fight American G.I.'s.

Of course, it can be argued that the Chinese Communists will not attack the Republic of China and try to communize the people of Taiwan, except that Red China has pledged to the contrary. It has said repeatedly that either the Republic of China surrenders or the communists will cross the Taiwan Straits and settle the issue by force of arms.

Does the United States want Red China to possess Taiwan? It would be difficult to think of any supporting reason. The Republic of China on Taiwan is a free and prosperous country. It conducts large-scale trade with the United States. In case of war in East Asia, it would be a valuable ally.

The only threat that Taiwan has in store for the mainland is one conveyed by the people of the mainland themselves. Obviously, 18 million people are not going to overcome 1,000 million unless the more numerous make such a choice. In other words, the Republic of China threatens no one. To the contrary, it is a supporter of freedom, democracy, and prosperity in the Far East.

So, the Soviet Union could not be stopped by the Chinese Communists without the expenditure of billions of dollars, and perhaps not even then. Arms for Red China and arms for Free China not only amount to a contradiction but cost the United States a great deal of money unnecessarily. The Americans have only one meaningful Chinese ally, and that is the Republic of China; this the only one deserving weapons assistance.

TAIPEI VIEWS MAINLAND'S OFFSHORE HARASSMENT

OW100611 Taipei International Service in English 0100 GMT 10 Jul 84

[Station commentary]

[Text] In the last couple of months Red China has thrice accused the Republic of China's garrison troops on Kinmen and Matsu off the mainland coast of firing at commercial shipping and civilian craft. Now the riddle has been solved.

Spokesman for Free China's Ministry of National Defense Major General Wang Miao, reported at a press conference last Thursday that Peking has greatly stepped up its harassment lately against the ROC garrison troops in Kinmen and Matsu by sending wave after wave of fishing boats, junks and frogmen to the alert zones of the two offshore bastions.

One of communist frogmen who tried to infiltrate Kinmen was captured alive when he landed on a Kinmen beach on June 12. The captive, identified as a Liu Chen-ning, is still under interrogation, General Wang said.

In June alone, troops on Kinmen sighted 308 mainland boats in 104 batches within the island group's security zone. They reached as near as 800 meters from the beach.

In the same month, the garrison forces on Matsu also discovered 104 mainland boats in their security zone on 78 occasions.

General Wang produced a list indicating the exact time and location of each sighting as well as the number of boats involved. On June 16, as many as 18 batches of mainland boats totalling 81 craft were found sailing toward Kinmen.

These sightings coincided with a press report in Hong Kong that former Commander of the Fukien Military Region Yang Cheng-Wu, ordered the mass intrusions on June 1 when he made an inspection trip to two of the forward islets ringing Kinmen.

General Wang pointed out that ROC troops stationed on Kinmen and Matsu have strict orders not to fire on any ship sailing close by if it shows no hostile intentions. However, these troops have to take self-defense measures to repel any craft that ignores warning when it is found within the security zone.

By sending the fishing boats and frogmen to Kinmen and Matsu, Peking was obviously trying to force the defenders to fire warning shots so that it can fabricate charges depicting the Free Chinese troops as trigger-happy and war-mongering.

If the free world receive the Peking propaganda at its face value, the Republic of China would be isolated internationally, and Red China would be in a better position to pressure the U.S. into repealing the Taiwan Relations Act and stopping selling arms to Taipei for self-defense.

Aside from that, Peking may be deliberately building up tension in the Taiwan Straits so as to give substance to its threat to use force if the Republic of China continues to ignore its call for surrender.

"Fight, fight, talk, talk" has been a favorite Chinese Communist strategy to wear down their enemy. The Republic of China knows the plot too well to be deceived again. It is hoped that the international community will not be fooled either.

DIFFERENCES REPORTED IN SINO-BRITISH TALKS

HK110537 Hong Kong Domestic Service in English 0500 GMT 11 Jul 84

[Text] The first day of the latest round of talks on Hong Kong's future has ended in Peking. There was no change in the British and Chinese negotiating teams, and the leaders, Mr Zhou Nan and the Ambassador Sir Richard Evans, spoke about the need for rain before the session got under way at Diaoyutai Guesthouse. As usual, no comments were made after the session. Lorna Workman reports: [Begin recording] [Workman] Before the session, Sir Richard and the Governor Sir Edward Youde flew to London for meetings with the Prime Minister Mrs Thatcher and Foreign Secretary Sir Geoffrey Howe. These are believed to have centered on the Deng plan and, as the BBC's Stephen Jessel reports from Peking, the proposal appears to be the major difference between the two sides in the run-up period to 1997:

[Jessel] The chief obstacle to an early settlement appears to concern the joint working party of Chinese and British officials that the Chinese side wants established to monitor and oversee developments in Hong Kong between now and 1997. Even the creation of such a working party could be interpreted, especially given the present nervous mood in Hong Kong, as a way of giving Peking a say in the running of the territory more than 10 years before it actually regains sovereignty. But what seems to be the issue in contention is where the working party should meet, with the British side suggesting London and Peking, and strenously resisting, in the words of one source, the Chinese demand that it should meet in Hong Kong itself. It is thought that the recent visit to London by the two senior members of the British delegation may have been necessitated by deadlock on this point, and this 18th round of talks in a series that began almost exactly a year ago is thought therefore to be of some importance.

Meanwhile, however, the drafting of the joint agreement on what should happen after 1997 is going ahead at some speed. The British side is known to want the agreement, which is still thought likely to emerge in September, to be as detailed as possible, in view of the considerable anxiety in the territory and perhaps in view of claims in some quarters that Britain has been out-negotiated during the discussions on Hong Kong's future.

[Workman] The working party and the need for a detailed agreement on the territory were highlighted in an editorial by the London FINANCIAL TIMES, which called on Britain to resist the Deng plan. The newspaper called it a meddling watchdog, which would interfere with Britain's authority over Hong Kong until 1997. It added that the working party would inevitably become a back-room government, and said the proposal may be a counter by Peking to Britain's insistence on a detailed agreement on the territory's future. [end recording]

FOREIGN OFFICE MINISTER TO VISIT HONG KONG

HK110345 Hong Kong SOUTH CHINA MORNING POST IN English 11 Jul 84 pp 1, 24

[By Halima Guterres and Jill Hartley]

[Text] The Foreign Office Minister, Mr Richard Luce, will tomorrow pay a suprise visit to Hong Kong which has caught even members of the Legislative Council unawares. His last-minute, three-day mission comes less than one week after the Governor, Sir Edward Youde, returned from talks in Whitehall. This rapid turn of events last night sparked speculation that the talks over Hong Kong's future have reached a watershed. But confusion reigns over the purpose of the visit by Mr Luce -- some think it signals an early accord while others fear the talks have hit stormy waters.

The government's official line is that his trip is merely part of "the regular pattern" of visits by ministers to keep in touch with local opinion. The Foreign Office was quick to deny that the negotiations had hit a crisis. There is speculation that an agreement on the territory's future is imminent and it is believed that Mr Luce's visit is to sound out views of Hong Kong's top leaders on a British decision over the draft agreement.

But there are real fears that Mr Luce is coming here to present a fait accompli on Hong Kong's future. There is also a suggestion that Mr Luce is simply again paving the way for a visit from the Foreign Secretary, Sir Geoffrey Howe, in September. In a brief announcement made last night, the Government said Mr Luce, the Foreign Office Minister with special responsibilities for Hong Kong, will attend a meeting of the Executive Council, and will also meet Unofficial members of the Legislative Council and community leaders. News of the visit came as a surprise to Legco Unofficials, raising eyebrows and causing resentment. Unofficial member, Mr Bill Brown, said he was completely unaware of the visit until told last night by the SCM POST. "It is normal courtesy for visitors to let their hosts know well in advance of their visit. In this particular instance we do not seem to have been given any notice," he said. Mr Brown added that this was particularly surprising when the whole point of the trip was to meet Umelco members. He said members do not know the purpose of his visit and would not know until he has arrived. "Members of the Legislative Council are concerned that this situation should have developed," he said. Although the Government has still not disclosed detailed arrangements for his stay, SCM POST sources say he is expected to hold both a meeting and a working dinner with the Unofficials of both councils. He will also attend a reception at Government House and it is understood that he will meet the press before he departs for London on Saturday night. The Governor, Sir Edward Youde, has once again altered his normal schedule and will be flying home tomorrow immediatly after the close of the 18th round of the talks. There were no plans last night for the British Ambassador to Peking, Sir Richard Evans, or members of the working party, to be in Hong Kong during Mr Luce's visit.

During the last round of talks, the Governor was also forced to change his travel plans and make an unexpected trip to London. There was the usual news blackout surrounding his meetings with both Sir Geoffrey and the Prime Minister, Mrs Margaret Thatcher. But observers believe his trip was much more than just a normal exercise to update senior Whitehall officials. Speculation was already rife then that Sir Edward's visit represented a major step on the road to a September agreement. Mr Luce's visit follows soon after the Governor's trip and the setting up of a working group last month. The working group is now meeting daily in Peking to discuss the finer points of an agreement. This was taken as another indication that things were gathering pace and an accord was near.

Despite official denials, all the signs point to a last-minute decision to send Mr Luce to Hong Kong. His two previous visits to Hong Kong last September and in February were both announced well in advance by the Foreign Office. This hastily planned trip is out of character and is fuelling speculation that things have taken an unexpected turn. It is thought that this might be connected to Chinese leader Mr Deng Xiaoping's recent suggestion to the Umelco three. During their talks with Mr Deng in Peking last month, the Chinese leader suggested the idea of setting up a joint working party between now and 1997. This is known to have found little favour with the Prime Minister. Mr Brown said he attaches great significance to the visit by Mr Luce. "He is coming immediately after the Governor's visit to London and possibly things are reaching a crescendo," Mr Brown said.

Both China and Britain have said that they are aiming for an agreement that is acceptable to Hong Kong people. Mr Luce's visit might well be an attempt to sound out public opinion here, he said. "This is speculation on my part but it could be that the negotiations have reached a stage where some important points have to be decided and Mr Luce is coming here to consult Hong Kong people. Perhaps he is here to discharge the British undertaking that the agreement on Hong Kong's future will be acceptable to the people here," Mr Brown said. He did not rule out the possibility that Mr Luce was here to tell people something rather than to seek their views. "Although on balance I tend to feel it is more likely that he is here to consult public opinion on Hong Kong," he said. Mr Luce will be accompanied by his private secretary, Mr Hayden Warren-Gash, and the Assistant Head of the Hong Kong Department in the Foreign and Commonwealth Office, Mr Christopher Hum.

PAPER NOTES 'ANXIETY' OVER MACAO'S FUTURE

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[By Donald Cheung]

[Text] A new political scenario seems to have surfaced in Macao. Whereas previously the mention of Macao's future has more often than not been shrugged off by its residents, a recent visit to the city indicates a change of thinking.

The once-nonchalant attitude towards its future has been replaced by growing anxiety in various sectors. A top Chinese official said in Peking last week -- in an interview with Macao's Government-run radio -- that China is ready to solve the Macao issue "through negotiations" with Portugal when "conditions are ripe." And attention now seems to focus on the visit by Portugal's President, General Antonio Ramalho Eanes, to Peking later this year or early next year.

The interview, released yesterday, was the first official Chinese indication that Peking was prepared to engage in negotiations over the territory's future. It also signals an increasing interest among Chinese officials in understanding Macao's position although it was reliably learned that the issue was not raised in the recent NPC and CPPCC meetings. The heads of seven Chinese newspapers in Macao are understood to be currently in Peking at the invitation of the NEW CHINA NEWS AGENCY.

It is not known whether they will meet officials of the Hong Kong and Macao Affairs Office or other Chinese leaders. But yesterday, Radio Macao quoted Mr Zhou Nan, the chief Chinese negotiator in the Sino-British talks, as saying: "China, as in the case of Hong Kong, is confident that the Macao question will be solved satisfactorily through negotiations between China and Portugal when conditions are ripe." Mr Zhou added: "Until a definite solution is found for Macao's future, China thinks that the present status quo of the territory should be maintained."

The senior Chinese Foreign Ministry official said the agreement over the territory's status was satisfactory and Macao did not present a problem to Sino-Portuguese relations. The two countries agreed in 1975, following Lisbon's unsuccessful attempt to return the territory to China, that Macao would revert to Chinese sovereignty but remain under Portuguese administration. This accord was reaffirmed four years later when Lisbon and Peking resumed diplomatic ties.

"If China can solve the Hong Kong problem, which is more complicated than that of Macao, the search for a future solution for Macao will also be easy," Mr Zhou told Radio Macao. He made no mention of any date for discussions even though it was learned that this question was raised during the hour-long interview, which revolved mainly around Sino-Portuguese relations.

Observers noted that Mr Zhou's remarks are expected to heighten anxiety in the Macao community, which has been growing as the Sino-British talks over Hong Kong's future reach a crucial stage. Some Macao people even feel that talks may start soon after an agreement is reached on Hong Kong. And they are eyeing with great interest President Eanes' Peking visit — the first by a Portugueses head of state since diplomatic ties were resumed. Sources, however, told the SCM POST that it is unlikely that the official agenda will include the Macao issue. One official source said: "I don't think General Eanes will go to Peking to open discussions with China about Macao. It's possible that the matter may crop up during his talks (with Chinese leaders)."

Mr Zhou's statement is expected to make the present Macao administration, and in particular the territory's Portuguese residents, sit up and take note. "I think most Portuguese in town have refused to come to grips with this reality, thinking that there is nothing to talk about as far as Macao's future is concerned," one professional man commented. Ironically, the Government also appears to have been sticking to the belief that problems over Macao's future are non-existent.

"The main difference between Macao and Hong Kong is that Macao is not a Portuguese colony. There is no contract or a time-frame and this means that China can tell us to go away tomorrow," said one top official.

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